### **SENATE BILL 559**

6lr3410 CF HB 686

### By: Senator Ferguson

Introduced and read first time: February 4, 2016 Assigned to: Education, Health, and Environmental Affairs

### A BILL ENTITLED

#### 1 AN ACT concerning

## Department of Housing and Community Development – Strategic Demolition and Smart Growth Impact Fund – Establishment

4 FOR the purpose of establishing the Strategic Demolition and Smart Growth Impact Fund  $\mathbf{5}$ as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the 6 Department of Housing and Community Development to administer the Fund; 7 requiring the State Treasurer to hold the Fund and the Comptroller to account for 8 the Fund; specifying the contents of the Fund; specifying the purposes for which the 9 Fund may be used; providing for the investment of money in and expenditures from the Fund; requiring interest earnings of the Fund to be credited to the Fund; 10 11 beginning in a certain fiscal year, requiring the Governor to include in the annual 12budget bill an appropriation of a certain amount to the Fund; exempting the Fund 13 from a certain provision of law requiring interest on State money in special funds to 14 accrue to the General Fund of the State; defining a certain term; and generally 15relating to the Strategic Demolition and Smart Growth Impact Fund in the 16Department of Housing and Community Development.

- 17 BY adding to
- 18 Article Housing and Community Development
- 19 Section 4–508
- 20 Annotated Code of Maryland
- 21 (2006 Volume and 2015 Supplement)
- 22 BY repealing and reenacting, without amendments,
- 23 Article State Finance and Procurement
- 24 Section 6–226(a)(2)(i)
- 25 Annotated Code of Maryland
- 26 (2015 Replacement Volume)
- 27 BY repealing and reenacting, with amendments,
- 28 Article State Finance and Procurement

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law.



- 2 Annotated Code of Maryland
- 3 (2015 Replacement Volume)
- 4 BY adding to
- 5 Article State Finance and Procurement
- 6 Section 6–226(a)(2)(ii)86.
- 7 Annotated Code of Maryland
- 8 (2015 Replacement Volume)

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 10 That the Laws of Maryland read as follows:

- 11 Article Housing and Community Development
- 12 **4–508.**

13 (A) IN THIS SECTION, "FUND" MEANS THE STRATEGIC DEMOLITION AND 14 SMART GROWTH IMPACT FUND.

15 (B) THERE IS A STRATEGIC DEMOLITION AND SMART GROWTH IMPACT 16 FUND.

17 (C) THE PURPOSE OF THE FUND IS TO PROVIDE GRANTS AND LOANS TO 18 ASSIST IN PREDEVELOPMENT ACTIVITIES, INCLUDING DEMOLITION, LAND 19 ASSEMBLY, ARCHITECTURE AND ENGINEERING, AND SITE DEVELOPMENT FOR 20 REVITALIZATION PROJECTS IN DESIGNATED AREAS OF THE STATE.

21 (D) THE DEPARTMENT SHALL ADMINISTER THE FUND.

22 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT 23 SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

24 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, 25 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

- 26 (F) THE FUND CONSISTS OF:
- 27 (1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;
- 28 (2) REPAYMENTS OF LOANS MADE FROM THE FUND;
- 29 (3) INTEREST EARNINGS OF THE FUND; AND

 $\mathbf{2}$ 

1 (4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR 2 THE BENEFIT OF THE FUND.

3 (G) (1) THE FUND MAY BE USED ONLY TO PROVIDE GRANTS AND LOANS 4 TO GOVERNMENT AGENCIES AND COMMUNITY DEVELOPMENT ORGANIZATIONS FOR 5 DEMOLITION, LAND ASSEMBLY, ARCHITECTURE AND ENGINEERING, AND SITE 6 DEVELOPMENT FOR REVITALIZATION PROJECTS IN AN AREA DESIGNATED AS A 7 SUSTAINABLE COMMUNITY.

8 (2) THE DEPARTMENT SHALL AWARD GRANTS AND LOANS FROM THE 9 FUND ON A COMPETITIVE BASIS.

10 (H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND 11 IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

12(2)ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO13THE FUND.

14(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE15WITH THE STATE BUDGET.

16 (J) FOR FISCAL YEAR 2018 AND EACH FISCAL YEAR THEREAFTER, THE 17 GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF 18 \$20,000,000 TO THE FUND.

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### Article – State Finance and Procurement

 $20 \quad 6-226.$ 

(a) (2) (i) Notwithstanding any other provision of law, and unless
inconsistent with a federal law, grant agreement, or other federal requirement or with the
terms of a gift or settlement agreement, net interest on all State money allocated by the
State Treasurer under this section to special funds or accounts, and otherwise entitled to
receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
Fund of the State.

(ii) The provisions of subparagraph (i) of this paragraph do not applyto the following funds:

29 84. the Economic Development Marketing Fund; [and]

30 85. the Military Personnel and Veteran–Owned Small
 31 Business No–Interest Loan Fund; AND

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# 186. THE STRATEGIC DEMOLITION AND SMART GROWTH2IMPACT FUND.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 4 1, 2016.