

HOUSE BILL 768

C8

3lr2731
CF SB 865

By: **Delegate Buckel**

Introduced and read first time: February 8, 2023

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 7, 2023

CHAPTER _____

1 AN ACT concerning

2 **Economic Development – Western Maryland Economic Future Investment**
3 **Board and Senator George C. Edwards Fund – Alterations**

4 FOR the purpose of ~~renaming~~ altering the composition of the Western Maryland Economic
5 Future Investment Board ~~to be the Western Maryland Economic Future Investment~~
6 ~~Vetting Board; establishing and specifying the purpose of the Western Maryland~~
7 ~~Economic Future Investment Voting Board; establishing an Executive Director for~~
8 ~~the Vetting Board and the Voting Board; altering the manner in which decisions are~~
9 made regarding certain proposals for funding; and generally relating to the Western
10 Maryland Economic Future Investment Boards and the Senator George C. Edwards
11 Fund.

12 BY repealing and reenacting, without amendments,
13 Article – Economic Development
14 Section 13–701(a), (c), ~~and (e)~~ (e), and (g)
15 Annotated Code of Maryland
16 (2018 Replacement Volume and 2022 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Economic Development
19 Section 13–736 through 13–741
20 Annotated Code of Maryland
21 (2018 Replacement Volume and 2022 Supplement)

22 BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



Article – Economic Development
Section 13–738 ~~and 13–739~~
Annotated Code of Maryland
(2018 Replacement Volume and 2022 Supplement)

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

Article – Economic Development

13–701.

(a) In this subtitle the following words have the meanings indicated.

(c) “Council” means the Tri–County Council for Western Maryland.

(e) “Member county” means each county in the region that pays annual dues that the Council sets.

(g) “Region” means Allegany, Garrett, and Washington counties.

13–736.

(a) In this part the following words have the meanings indicated.

~~[(b)~~ (b) “Board” means the Western Maryland Economic Future Investment Board established under § 13–737 of this subtitle.]

~~(B) (C)~~ **“EXECUTIVE DIRECTOR” MEANS THE EXECUTIVE DIRECTOR OF THE VETTING BOARD AND THE VOTING BOARD.**

~~(C) (D)~~ (D) “Fund” means the Senator George C. Edwards Fund established under [§ 13–738] ~~§ 13–740~~ § 13–739 of this subtitle.

~~(D)~~ **~~“VETTING BOARD” MEANS THE WESTERN MARYLAND ECONOMIC FUTURE INVESTMENT VETTING BOARD ESTABLISHED UNDER § 13–737 OF THIS SUBTITLE.~~**

~~(E)~~ **~~“VOTING BOARD” MEANS THE WESTERN MARYLAND ECONOMIC FUTURE INVESTMENT VOTING BOARD ESTABLISHED UNDER § 13–738 OF THIS SUBTITLE.~~**

13–737.

(a) There is a Western Maryland Economic Future Investment ~~VETTING~~ Board.

(b) The ~~VETTING~~ Board consists of the following members:

(1) one representative from the Department of Commerce, appointed by the Secretary of Commerce, WHO SHALL SERVE AS A NONVOTING MEMBER;

~~(2) one commissioner from each member county, appointed by each member county's respective commissioners;~~

~~(3)~~ (2) one representative of an economic development organization in each member county, appointed by each member county's respective commissioners, WHO SHALL SERVE AS A NONVOTING MEMBER;

~~(4)~~ (3) one representative from ~~the~~ [chamber of commerce from each member county, appointed by each member county's respective chamber of commerce] PRIVATE SECTOR IN DISTRICT 1, APPOINTED BY THE SPEAKER OF THE HOUSE, IN CONSULTATION WITH THE DISTRICT 1 DELEGATION TO THE MARYLAND GENERAL ASSEMBLY; and

~~(5)~~ (4) one representative from ~~the~~ [Maryland Municipal League, appointed by the Executive Director of the League] PRIVATE SECTOR IN DISTRICT 2, APPOINTED BY THE PRESIDENT OF THE SENATE, IN CONSULTATION WITH THE DISTRICT 2 DELEGATION TO THE MARYLAND GENERAL ASSEMBLY;

(5) ONE COUNTY COMMISSIONER FROM EACH MEMBER COUNTY;

(6) ONE REPRESENTATIVE FROM DISTRICT 1, APPOINTED BY THE PRESIDENT OF THE SENATE, IN CONSULTATION WITH THE DISTRICT 1 DELEGATION TO THE MARYLAND GENERAL ASSEMBLY, WHO SHALL SERVE AS A NONVOTING MEMBER;

(7) ONE REPRESENTATIVE FROM DISTRICT 2, IN CONSULTATION WITH THE DISTRICT 2 DELEGATION TO THE MARYLAND GENERAL ASSEMBLY, APPOINTED BY THE SPEAKER OF THE HOUSE, WHO SHALL SERVE AS A NONVOTING MEMBER;

(8) THE STATE SENATOR REPRESENTING DISTRICT 1, WHO SHALL SERVE AS AN EX OFFICIO NONVOTING MEMBER;

(9) THE STATE SENATOR REPRESENTING DISTRICT 2, WHO SHALL SERVE AS AN EX OFFICIO NONVOTING MEMBER;

(10) A MEMBER OF THE HOUSE OF DELEGATES REPRESENTING A SUBDISTRICT IN DISTRICT 1, APPOINTED BY THE SPEAKER OF THE HOUSE, WHO SHALL SERVE AS AN EX OFFICIO NONVOTING MEMBER; AND

(11) A MEMBER OF THE HOUSE OF DELEGATES REPRESENTING A SUBDISTRICT IN DISTRICT 2, APPOINTED BY THE SPEAKER OF THE HOUSE, WHO SHALL SERVE AS AN EX OFFICIO NONVOTING MEMBER.

(c) The [representative from the Department of Commerce shall] ~~VETTING~~ **VOTING MEMBERS OF THE BOARD MAY ELECT A chair [the Board] FROM AMONG ITS THE BOARD'S MEMBERS.**

(d) The Council shall provide staff for the ~~VETTING~~ Board.

(e) A member of the ~~VETTING~~ Board:

(1) may not receive compensation as a member of the Board; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

~~13-738.~~

~~(A) THERE IS A WESTERN MARYLAND ECONOMIC FUTURE INVESTMENT VOTING BOARD.~~

~~(B) THE VOTING BOARD CONSISTS OF THE FOLLOWING MEMBERS:~~

~~(1) THE COUNTY COMMISSIONER FROM EACH MEMBER COUNTY; AND~~

~~(2) THE TWO MEMBERS OF THE VETTING BOARD WHO ARE REPRESENTATIVES FROM THE PRIVATE SECTOR.~~

~~(C) THE COUNCIL MAY PROVIDE STAFF FOR THE VOTING BOARD.~~

~~(D) A MEMBER OF THE VOTING BOARD:~~

~~(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE BOARD; BUT~~

~~(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.~~

~~(E)~~ **(F) THE VOTING VOTING MEMBERS OF THE BOARD SHALL HAVE FINAL APPROVAL AUTHORITY ON:**

(1) DISBURSEMENTS FROM THE FUND; AND

(2) PROJECTS SELECTED IN ACCORDANCE WITH ~~§ 13-741~~ 13-740 OF THIS SUBTITLE.

~~13-739.~~ 13-738.

(A) ~~THE VETTING BOARD AND THE VOTING BOARD~~ SHALL JOINTLY APPOINT AN EXECUTIVE DIRECTOR.

(B) THE EXECUTIVE DIRECTOR SERVES AT THE PLEASURE OF THE ~~VETTING BOARD AND THE VOTING BOARD.~~

(C) THE SALARY OF THE EXECUTIVE DIRECTOR ~~SHALL BE~~ MAY NOT EXCEED \$75,000.

(D) THE EXECUTIVE DIRECTOR SHALL MANAGE THE ADMINISTRATIVE AFFAIRS AND TECHNICAL ACTIVITIES OF THE ~~VETTING BOARD AND THE VOTING BOARD,~~ IN ACCORDANCE WITH POLICIES AND PROCEDURES THE ~~VETTING BOARD AND VOTING BOARD ESTABLISH~~ ESTABLISHES.

(E) THE EXECUTIVE DIRECTOR ~~SHALL:~~

(1) ~~ADMINISTER~~ MAY ASSIST IN ADMINISTERING THE FUND UNDER ~~§ 13-740~~ 13-739 OF THIS SUBTITLE;

(2) SHALL PRESENT THE PROJECTS SELECTED IN ACCORDANCE WITH ~~§ 13-741~~ 13-740 OF THIS SUBTITLE AS ~~VETTED BY THE VETTING~~ DETERMINED BY THE VOTING MEMBERS OF THE BOARD TO THE VOTING BOARD; AND

(3) SHALL PERFORM ANY OTHER DUTIES THAT THE ~~VETTING BOARD AND THE VOTING BOARD DIRECT~~ DIRECTS IN CARRYING OUT THIS PART.

[13-738.] ~~13-740.~~ 13-739.

(a) There is a Senator George C. Edwards Fund.

(b) The purpose of the Fund is to provide grant or loan funding to capital infrastructure projects and business development projects that improve the economic conditions in the region.

(c) The ~~[Council]~~ ~~EXECUTIVE DIRECTOR~~ shall administer the Fund.

(d) (1) The Fund consists of:

(i) appropriations as provided in the State budget;

(ii) interest or other income earned on the investment of money in the Fund; and

(iii) any other money accepted for the benefit of the Fund.

(2) In each of fiscal years 2024 through 2026, the Governor shall include in the annual operating or capital budget bill an appropriation of at least \$10,000,000 to the Fund.

(e) Money in the Fund may be used only to:

(1) award grants and provide loans to capital infrastructure projects and business development projects to improve the economic conditions in the region; and

(2) pay the costs necessary to administer the Fund, **INCLUDING PAYING THE SALARY OF THE EXECUTIVE DIRECTOR.**

(f) (1) The Fund is a special, nonlapsing fund that is not subject to reversion under § 7–302 of the State Finance and Procurement Article.

(2) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.

(3) The State Treasurer shall invest the money in the Fund in the same manner as other State money may be invested.

(4) Any investment earnings of the Fund shall be credited to the Fund.

[13–739.] ~~13–741.~~ 13–740.

(a) A member county or local entity within a member county may submit a proposal for funding under this part.

(b) To qualify for funding, a project shall be:

(1) a capital infrastructure project that:

(i) is linked to economic development in the region, as approved by the ~~VETTING~~ Board; and

(ii) receives 20% matching funds from the member county where the project is located, another local entity, a private business, or a combination thereof;

(2) a business development project that:

(i) encourages and promotes downtown neighborhood revitalization, small business tourism, or other areas as approved by the ~~VETTING~~ Board; and

(ii) receives 10% matching funds from the member county where the project is located, another local entity, a private business, or a combination thereof; or

(3) any other project that the ~~VETTING~~ Board determines is appropriate to promote economic development in the region.

(c) (1) (i) The ~~VETTING~~ Board shall develop criteria to review, evaluate, and rate project proposals for funding under this part.

(ii) The criteria in subparagraph (i) of this paragraph shall ensure that the project:

1. creates or retains jobs;
2. creates or retains businesses;
3. increases wages; or
4. creates new State or local tax revenue.

(2) **(I) THE ~~VOTING~~ BOARD SHALL CHOOSE WHICH PROJECTS TO AWARD GRANTS AND LOANS TO BASED ON THE CRITERIA DEVELOPED IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION.**

(II) The ~~VETTING~~ Board OR THE EXECUTIVE DIRECTOR shall distribute grants and loans to projects based on [the criteria developed in accordance with paragraph (1) of this subsection] THE DECISIONS MADE BY THE ~~VOTING~~ BOARD IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(d) (1) The ~~VETTING~~ Board OR THE EXECUTIVE DIRECTOR shall monitor and track the progress of each project that receives funding under this part.

(2) If the ~~VETTING~~ Board determines that sufficient progress is not being made toward achieving the requirements of this section, the ~~VETTING~~ Board may reclaim the awarded funds.

(e) The funding provided in this section shall be used to supplement and not supplant any funds that would otherwise be provided to the ~~VETTING~~ Board or the member counties.

[13-740.] ~~13-742.~~ 13-741.

(a) On or before December 31 each year, the ~~VETTING~~ Board shall report to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly on the implementation of this part.

(b) The report required in subsection (a) of this section shall include, disaggregated by member county:

(1) the number of new projects funded during the previous year;

(2) the number of projects that were completed during the previous year;

(3) the number of ongoing projects that were not completed during the previous year;

(4) the amount and type of funding received by each project;

(5) the current status of each ongoing project; and

(6) any other relevant economic metrics determined by the ~~VETTING~~ Board.

[13–741.] ~~13–743.~~ 13–742.

The ~~VETTING~~ Board shall adopt regulations to carry out this part.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ June 1, 2023.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.