

HOUSE BILL 1488

P2, M4

0lr1262
CF SB 985

By: **Delegates Charkoudian, Arian, Bagnall, Beitzel, Carr, Crosby, Cullison, Fraser-Hidalgo, Guyton, M. Jackson, Jacobs, Kerr, Kittleman, Korman, Krimm, McKay, Otto, Pippy, Shetty, Solomon, Stewart, Szeliga, and Terrasa**
Introduced and read first time: February 7, 2020
Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Certified Local Farm Enterprise Program and Certified Local Farm Enterprise**
3 **Food Aggregation Grant Fund – Establishment**

4 FOR the purpose of establishing the Office for the Certified Local Farm Enterprise Program
5 in the Department of Agriculture; stating the purpose of the Office; establishing the
6 Certified Local Farm Enterprise Program in the Office; requiring the Department to
7 create a certain number of positions to provide staff for the Office; establishing a
8 certain goal for a unit's procurement contracts for food; prohibiting a certain
9 procurement contract from being counted in a certain manner; authorizing a unit to
10 achieve a certain goal in a certain manner; requiring the Office, in consultation with
11 the Secretary of Agriculture, to establish certain guidelines; requiring each unit to
12 take certain actions to implement and comply with the Program; requiring the Office
13 to establish certain procedures in consultation with the Secretary; providing for the
14 waiver of certain goals under certain circumstances; requiring the Office to submit a
15 certain report regarding waivers to the Board of Public Works on or before a certain
16 date each year; requiring the Board to keep certain records regarding certain waivers
17 and submit a copy of the records to certain committees of the General Assembly on
18 or before a certain date each year; requiring the Office to adopt certain regulations;
19 authorizing the Office to take certain actions regarding certification and
20 decertification of certified local farm enterprises; authorizing a certain court to pass
21 a certain order under certain circumstances; requiring the Office to make available
22 a certain fraud hotline; requiring each unit to report certain information within a
23 certain time frame to the Office in accordance with certain requirements; requiring
24 certain policies for certain universities to require, to the maximum extent
25 practicable, the purchasing of food in accordance with the Program; providing that
26 the Program applies to certain universities; requiring the Department to develop and
27 maintain a certain directory of all certified local farm enterprises and make the
28 directory available to the public in a certain manner; providing that the directory
29 contains certain information and be maintained in a certain manner; establishing

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



the Certified Local Farm Enterprise Food Aggregation Grant Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Maryland Agricultural and Resource-Based Industry Development Corporation to administer the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents of the Fund; specifying the purpose for which the 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; exempting the Fund from a certain provision of law requiring interest earnings on State money to accrue to the General Fund of the State; defining certain terms; and generally relating to the Certified Local Farm Enterprise Program.

BY repealing and reenacting, without amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(i) and 11–203(e)(1), (2), and (7)
Annotated Code of Maryland
(2015 Replacement Volume and 2019 Supplement)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)121. and 122. and 11–203(e)(4) and (5)
Annotated Code of Maryland
(2015 Replacement Volume and 2019 Supplement)

BY adding to
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)123.; and 14–701 through 14–708 to be under the new subtitle
“Subtitle 7. Certified Local Farm Enterprise Program”
Annotated Code of Maryland
(2015 Replacement Volume and 2019 Supplement)

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

Article – State Finance and Procurement

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 apply to the following funds:

121. the Markell Hendricks Youth Crime Prevention and
Diversion Parole Fund; [and]

122. the Federal Government Shutdown Employee Assistance
Loan Fund; AND

**123. THE CERTIFIED LOCAL FARM ENTERPRISE FOOD
AGGREGATION GRANT FUND.**

11–203.

(e) (1) In this subsection, “University” means the University System of
Maryland, Morgan State University, or St. Mary’s College of Maryland.

(2) Except as otherwise provided in this subsection, this Division II does
not apply to the University System of Maryland, Morgan State University, or St. Mary’s
College of Maryland.

(4) A University’s policies shall:

(i) to the maximum extent practicable, require the purchasing of
supplies and services in accordance with Title 14, Subtitle 1 of this article;

(ii) promote the purposes of the regulations adopted by the
Department of General Services governing the procurement of architectural and
engineering services;

(iii) promote the purposes of § 13–402 of the State Personnel and
Pensions Article; [and]

(iv) to the maximum extent practicable, be similar to § 13–218.1 of
this article; AND

**(V) TO THE MAXIMUM EXTENT PRACTICABLE, REQUIRE THE
PROCUREMENT OF FOOD IN ACCORDANCE WITH TITLE 14, SUBTITLE 7 OF THIS
ARTICLE.**

(5) (i) Except as provided in paragraph (7) of this subsection, the
following provisions of Division II of this article apply to a University:

1. § 11–205 of this subtitle (“Collusion”);

2. § 11–205.1 of this subtitle (“Falsification, concealment,
etc., of material facts”);

3. § 13–219 of this article (“Required clauses –

1 Nondiscrimination clause”);

2 4. § 13–225 of this article (“Retainage”);

3 5. Title 14, Subtitle 3 of this article (“Minority Business
4 Participation”);

5 6. **TITLE 14, SUBTITLE 7 OF THIS ARTICLE (“CERTIFIED
6 LOCAL FARM ENTERPRISE PROGRAM”);**

7 7. Title 15, Subtitle 1 of this article (“Procurement Contract
8 Administration”);

9 [7.] 8. § 15–226 of this article (“Policy established; timing of
10 payments; notice upon nonpayment; disputes; appeals”); and

11 [8.] 9. Title 16 of this article (“Suspension and Debarment of
12 Contractors”).

13 (ii) If a procurement violates the provisions of this subsection or
14 policies adopted in accordance with this subsection, the procurement contract is void or
15 voidable in accordance with the provisions of § 11–204 of this subtitle.

16 (7) Paragraphs (3), (4), and (5) of this subsection do not apply to:

17 (i) procurement by a University from:

18 1. another unit;

19 2. a political subdivision of the State;

20 3. an agency of a political subdivision of the State;

21 4. a government, including the government of another state,
22 of the United States, or of another country;

23 5. an agency or political subdivision of a government; or

24 6. a bistate, multistate, bicounty, or multicounty
25 governmental agency;

26 (ii) procurement by a University in support of enterprise activities
27 for the purpose of:

28 1. direct resale;

29 2. remanufacture and subsequent resale; or

1 3. procurement by the University for overseas programs; or

2 (iii) procurement by the University System of Maryland for:

3 1. services of managers to invest, in accordance with the
4 management and investment policies adopted by the Board of Regents of the University
5 System of Maryland, gift and endowment assets received by the University System of
6 Maryland in accordance with § 12–104(e) of the Education Article; or

7 2. expenditures to manage, maintain, and enhance, in
8 accordance with the management and investment policies adopted by the Board of Regents
9 of the University System of Maryland, the value of gift and endowment assets received by
10 the University System of Maryland in accordance with § 12–104(e) of the Education Article.

11 **SUBTITLE 7. CERTIFIED LOCAL FARM ENTERPRISE PROGRAM.**

12 **14–701.**

13 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
14 **INDICATED.**

15 **(B) “CERTIFIED LOCAL FARM ENTERPRISE” MEANS A LOCAL FARM**
16 **ENTERPRISE THAT:**

17 **(1) MEETS THE NUTRIENT MANAGEMENT REQUIREMENTS**
18 **ESTABLISHED UNDER TITLE 8, SUBTITLE 8 OF THE AGRICULTURE ARTICLE; AND**

19 **(2) IS CERTIFIED BY THE DEPARTMENT IN ACCORDANCE WITH**
20 **REGULATIONS ADOPTED UNDER THIS SUBTITLE.**

21 **(C) “DEPARTMENT” MEANS THE DEPARTMENT OF AGRICULTURE.**

22 **(D) “OFFICE” MEANS THE OFFICE FOR THE CERTIFIED LOCAL FARM**
23 **ENTERPRISE PROGRAM.**

24 **(E) “PROGRAM” MEANS THE CERTIFIED LOCAL FARM ENTERPRISE**
25 **PROGRAM.**

26 **14–702.**

27 **(A) (1) THERE IS AN OFFICE FOR THE CERTIFIED LOCAL FARM**
28 **ENTERPRISE PROGRAM IN THE DEPARTMENT.**

(2) THE PURPOSE OF THE OFFICE IS TO ADMINISTER THE PROGRAM AND FACILITATE THE PARTICIPATION OF CERTIFIED LOCAL FARM ENTERPRISES IN THE PROGRAM.

(B) (1) THERE IS A CERTIFIED LOCAL FARM ENTERPRISE PROGRAM IN THE OFFICE.

(2) THE PURPOSE OF THE PROGRAM IS TO ENCOURAGE EACH UNIT TO TRY TO ACHIEVE AN OVERALL PERCENTAGE GOAL OF 20% OF THE UNIT'S TOTAL DOLLAR VALUE OF PROCUREMENT CONTRACTS FOR FOOD FROM CERTIFIED LOCAL FARM ENTERPRISES.

(C) THE DEPARTMENT SHALL CREATE TWO POSITIONS TO PROVIDE STAFF FOR THE OFFICE.

14-703.

(A) (1) EACH UNIT SHALL STRUCTURE PROCUREMENT PROCEDURES, CONSISTENT WITH THE PURPOSES OF THIS SUBTITLE, TO TRY TO ACHIEVE AN OVERALL PERCENTAGE GOAL OF 20% OF THE UNIT'S TOTAL DOLLAR VALUE OF PROCUREMENT CONTRACTS FOR FOOD BEING MADE DIRECTLY OR INDIRECTLY TO CERTIFIED LOCAL FARM ENTERPRISES.

(2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, A PROCUREMENT CONTRACT AWARDED IN ACCORDANCE WITH SUBTITLE 1 OF THIS TITLE MAY NOT BE COUNTED AS PART OF A UNIT'S TOTAL DOLLAR VALUE OF PROCUREMENT CONTRACTS FOR FOOD.

(3) A UNIT MAY ACHIEVE THE 20% GOAL THROUGH:

(I) COMPETITIVE SEALED BIDS AND PROPOSALS; AND

(II) SMALL PROCUREMENT IN ACCORDANCE WITH § 13-109 OF THIS ARTICLE.

(B) THE OFFICE, IN CONSULTATION WITH THE SECRETARY OF AGRICULTURE, SHALL ESTABLISH GUIDELINES FOR EACH UNIT TO CONSIDER WHEN DETERMINING THE APPROPRIATE LOCAL FARM ENTERPRISE PARTICIPATION PERCENTAGE GOAL FOR A PROCUREMENT CONTRACT FOR FOOD IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION.

(C) EACH UNIT SHALL:

1 **(1) CONSIDER THE PRACTICAL SEVERABILITY OF ALL PROCUREMENT**
2 **CONTRACTS FOR FOOD AND, IN ACCORDANCE WITH § 11-201 OF THIS ARTICLE, MAY**
3 **NOT BUNDLE CONTRACTS;**

4 **(2) IMPLEMENT A PROGRAM THAT WILL ENABLE THE UNIT TO**
5 **EVALUATE EACH PROCUREMENT CONTRACT FOR FOOD TO DETERMINE THE**
6 **APPROPRIATE LOCAL FARM ENTERPRISE PARTICIPATION GOALS, IF ANY, FOR THE**
7 **CONTRACT BASED ON:**

8 **(I) THE AVAILABILITY OF CERTIFIED LOCAL FARM**
9 **ENTERPRISES TO RESPOND COMPETITIVELY TO CONTRACT OPPORTUNITIES; AND**

10 **(II) THE CONTRACT GOAL GUIDELINES ESTABLISHED UNDER**
11 **SUBSECTION (B) OF THIS SUBSECTION;**

12 **(3) MONITOR AND COLLECT DATA WITH RESPECT TO A UNIT'S**
13 **COMPLIANCE WITH CONTRACT GOALS, INCLUDING EXPLANATIONS FOR FAILING TO**
14 **MEET CONTRACT GOALS; AND**

15 **(4) INSTITUTE CORRECTIVE ACTION WHEN A UNIT DOES NOT MAKE**
16 **GOOD FAITH EFFORTS TO COMPLY WITH CONTRACT GOALS.**

17 **(D) THE OFFICE SHALL, IN CONSULTATION WITH THE SECRETARY OF**
18 **AGRICULTURE, ESTABLISH PROCEDURES GOVERNING HOW THE PARTICIPATION OF**
19 **CERTIFIED LOCAL FARM ENTERPRISES IS COUNTED TOWARD CONTRACT GOALS**
20 **UNDER THE PROGRAM.**

21 **(E) (1) (I) IF A UNIT DOES NOT ACHIEVE THE CERTIFIED LOCAL FARM**
22 **ENTERPRISE PARTICIPATION GOALS ON A PROCUREMENT CONTRACT FOR FOOD,**
23 **THE UNIT SHALL DEMONSTRATE TO THE OFFICE THAT THE UNIT TOOK ALL**
24 **NECESSARY AND REASONABLE STEPS TO ACHIEVE THE GOALS.**

25 **(II) A WAIVER OF ANY PART OF THE CERTIFIED LOCAL FARM**
26 **ENTERPRISE GOALS FOR A PROCUREMENT CONTRACT FOR FOOD SHALL BE**
27 **GRANTED IF A UNIT PROVIDES TO THE OFFICE A REASONABLE DEMONSTRATION OF**
28 **GOOD FAITH EFFORTS TO ACHIEVE THE GOALS.**

29 **(2) THE OFFICE MAY WAIVE ANY OF THE REQUIREMENTS OF THIS**
30 **SUBSECTION RELATING TO THE ESTABLISHMENT, USE, AND WAIVER OF CERTIFIED**
31 **LOCAL FARM ENTERPRISE GOALS FOR A SOLE SOURCE, EXPEDITED, OR EMERGENCY**
32 **PROCUREMENT IN WHICH THE PUBLIC INTEREST CANNOT REASONABLY**
33 **ACCOMMODATE USE OF THOSE REQUIREMENTS.**

(3) EXCEPT FOR WAIVERS GRANTED IN ACCORDANCE WITH PARAGRAPH (2) OF THIS SUBSECTION, WHEN A WAIVER DETERMINATION IS MADE, THE OFFICE SHALL ISSUE THE DETERMINATION IN WRITING.

(4) ON OR BEFORE JULY 31 EACH YEAR, THE OFFICE SHALL SUBMIT DIRECTLY TO THE BOARD AN ANNUAL REPORT OF WAIVERS REQUESTED AND WAIVERS GRANTED UNDER THIS SUBSECTION.

(5) THE REPORT REQUIRED UNDER PARAGRAPH (4) OF THIS SUBSECTION SHALL CONTAIN THE FOLLOWING INFORMATION ON THOSE PROCUREMENT CONTRACTS FOR FOOD WHERE THE OFFICE CONSIDERED A UNIT'S REQUEST FOR WAIVER OF ALL OR A PORTION OF THE LOCAL FARM ENTERPRISE GOALS:

(I) THE CONTRACT TITLES, NUMBERS, AND DATES;

(II) THE NUMBER OF WAIVER REQUESTS RECEIVED;

(III) THE NUMBER OF WAIVER REQUESTS GRANTED; AND

(IV) ANY OTHER INFORMATION SPECIFICALLY REQUESTED BY THE BOARD.

(F) THE BOARD SHALL KEEP A RECORD OF INFORMATION REGARDING ANY WAIVERS REQUESTED IN ACCORDANCE WITH THIS SECTION AND SUBMIT A COPY OF THE RECORD TO THE SENATE EDUCATION, HEALTH, AND ENVIRONMENTAL AFFAIRS COMMITTEE AND THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE ON OR BEFORE OCTOBER 1 EACH YEAR, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.

14-704.

(A) IN ACCORDANCE WITH TITLE 10, SUBTITLE 1 OF THE STATE GOVERNMENT ARTICLE, THE OFFICE SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SUBTITLE.

(B) THE REGULATIONS SHALL ESTABLISH PROCEDURES TO BE FOLLOWED BY UNITS, CERTIFIED LOCAL FARM ENTERPRISES, AND SUCCESSFUL BIDDERS OR OFFERORS TO MAXIMIZE NOTICE TO, AND THE OPPORTUNITY TO PARTICIPATE IN THE FOOD PROCUREMENT PROCESS BY, A BROAD RANGE OF LOCAL FARM ENTERPRISES.

(C) THE REGULATIONS SHALL INCLUDE PROVISIONS:

1 (1) DESIGNATING THE OFFICE TO CERTIFY AND DECERTIFY LOCAL
2 FARM ENTERPRISES FOR ALL UNITS THROUGH A SINGLE PROCESS, INCLUDING
3 PROVISIONS THAT PROMOTE AND FACILITATE THE SUBMISSION OF SOME OR ALL OF
4 THE CERTIFICATION APPLICATION THROUGH AN ELECTRONIC PROCESS;

5 (2) DEFINING THE TERM “LOCAL” FOR THE PURPOSE OF IDENTIFYING
6 LOCAL FARM ENTERPRISES FOR PARTICIPATION IN THE PROGRAM;

7 (3) SPECIFYING THAT A UNIT MAY NOT ALLOW A LOCAL FARM
8 ENTERPRISE TO PARTICIPATE AS IF IT WERE A CERTIFIED LOCAL FARM ENTERPRISE
9 IF THE LOCAL FARM ENTERPRISE’S CERTIFICATION IS PENDING;

10 (4) CONSISTENT WITH THIS SUBTITLE, RELATING TO ANY
11 CIRCUMSTANCES UNDER WHICH THE OFFICE MAY WAIVE OBLIGATIONS OF A UNIT
12 RELATING TO CERTIFIED LOCAL FARM ENTERPRISE PARTICIPATION GOALS; AND

13 (5) THAT THE OFFICE CONSIDERS NECESSARY OR APPROPRIATE TO:

14 (I) ENCOURAGE PARTICIPATION BY LOCAL FARM
15 ENTERPRISES; AND

16 (II) PROTECT THE INTEGRITY OF THE PROCUREMENT PROCESS.

17 14-705.

18 (A) IN THE SAME MANNER AND WITH THE SAME FEES AS PROVIDED BY LAW
19 IN CIVIL CASES, IN A MATTER REGARDING THE DECERTIFICATION OF A CERTIFIED
20 LOCAL FARM ENTERPRISE, THE OFFICE MAY:

21 (1) SUBPOENA WITNESSES;

22 (2) ADMINISTER OATHS; AND

23 (3) COMPEL THE PRODUCTION OF RECORDS, BOOKS, PAPERS, AND
24 OTHER DOCUMENTS.

25 (B) IF A PERSON FAILS TO COMPLY WITH A SUBPOENA ISSUED UNDER
26 SUBSECTION (A) OF THIS SECTION, OR FAILS TO PRODUCE DOCUMENTS OR OTHER
27 EVIDENCE, ON PETITION OF THE OFFICE, A COURT OF COMPETENT JURISDICTION
28 MAY PASS AN ORDER DIRECTING COMPLIANCE WITH THE SUBPOENA OR
29 COMPELLING THE PRODUCTION OF DOCUMENTS OR OTHER EVIDENCE.

(C) THE OFFICE SHALL MAKE AVAILABLE A FRAUD HOTLINE FOR REPORTING VIOLATIONS OF THIS SECTION.

14-706.

(A) WITHIN 90 DAYS AFTER THE END OF THE FISCAL YEAR, EACH UNIT SHALL REPORT TO THE OFFICE.

(B) A REPORT UNDER THIS SECTION FOR THE PRECEDING FISCAL YEAR SHALL:

(1) STATE THE TOTAL NUMBER AND VALUE OF PROCUREMENT CONTRACTS FOR FOOD BETWEEN THE UNIT AND CERTIFIED LOCAL FARM ENTERPRISES;

(2) INDICATE THE PERCENTAGE THAT THOSE PROCUREMENT CONTRACTS FOR FOOD REPRESENT OF THE TOTAL NUMBER AND VALUE OF PROCUREMENT CONTRACTS FOR FOOD AWARDED BY A UNIT;

(3) STATE THE TOTAL NUMBER AND THE NAMES OF CERTIFIED LOCAL FARM ENTERPRISES THAT PARTICIPATED IN PROCUREMENT CONTRACTS FOR FOOD AWARDED BY A UNIT;

(4) FOR EACH CERTIFIED LOCAL FARM ENTERPRISE INCLUDED IN THE REPORT UNDER ITEM (3) OF THIS SUBSECTION, LIST ALL PROCUREMENT CONTRACTS FOR FOOD AWARDED BY A UNIT TO THE CERTIFIED LOCAL FARM ENTERPRISE, INCLUDING A DESCRIPTION OF THE CONTRACT; AND

(5) CONTAIN OTHER SUCH INFORMATION AS REQUIRED BY THE OFFICE, SUBJECT TO APPROVAL BY THE BOARD.

(C) A REPORT UNDER THIS SECTION SHALL BE:

(1) IN A FORM PRESCRIBED BY THE OFFICE; AND

(2) APPROVED BY THE BOARD.

14-707.

(A) (1) THE DEPARTMENT SHALL DEVELOP AND MAINTAIN A DIRECTORY OF ALL CERTIFIED LOCAL FARM ENTERPRISES.

(2) THE DIRECTORY SHALL BE ACCESSIBLE TO THE PUBLIC ON THE

1 DEPARTMENT'S WEBSITE.

2 (B) THE DEPARTMENT SHALL INCLUDE THE FOLLOWING INFORMATION
3 FOR EACH CERTIFIED LOCAL FARM ENTERPRISE INCLUDED IN THE DIRECTORY:

4 (1) ALL CONTRACT INFORMATION AVAILABLE TO THE DEPARTMENT
5 FOR THE CERTIFIED LOCAL FARM ENTERPRISE;

6 (2) THE CERTIFICATION NUMBER OF THE CERTIFIED LOCAL FARM
7 ENTERPRISE; AND

8 (3) ANY OTHER INFORMATION THE DEPARTMENT CONSIDERS
9 NECESSARY OR APPROPRIATE TO ENCOURAGE PARTICIPATION IN THE
10 PROCUREMENT PROCESS BY LOCAL FARM ENTERPRISES.

11 (C) THE DEPARTMENT SHALL:

12 (1) UPDATE THE DIRECTORY AT LEAST ONCE A YEAR;

13 (2) IDENTIFY AS RECENTLY CERTIFIED IN THE DIRECTORY EACH
14 LOCAL FARM ENTERPRISE THAT HAS OBTAINED CERTIFICATION DURING THE
15 CALENDAR YEAR; AND

16 (3) INCLUDE IN THE DIRECTORY A LIST OF ALL CERTIFIED LOCAL
17 FARM ENTERPRISES THAT HAVE BECOME INELIGIBLE TO PARTICIPATE IN THE
18 PROGRAM BECAUSE THE CERTIFIED LOCAL FARM ENTERPRISE NO LONGER MEETS
19 THE NUTRIENT MANAGEMENT REQUIREMENTS ESTABLISHED UNDER TITLE 8,
20 SUBTITLE 8 OF THIS ARTICLE.

21 14-708.

22 (A) THERE IS A CERTIFIED LOCAL FARM ENTERPRISE FOOD
23 AGGREGATION GRANT FUND.

24 (B) THE PURPOSE OF THE FUND IS TO SUPPORT THE CREATION OF FOOD
25 AGGREGATION, STORAGE, PROCESSING, AND DISTRIBUTION SITES ACROSS THE
26 STATE THROUGH GRANTS AND NEAR-EQUITY INVESTMENTS.

27 (C) THE MARYLAND AGRICULTURAL AND RESOURCE-BASED INDUSTRY
28 DEVELOPMENT CORPORATION SHALL ADMINISTER THE FUND.

29 (D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
30 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

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

3 **(E) THE FUND CONSISTS OF:**

4 **(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**

5 **(2) INTEREST EARNINGS; AND**

6 **(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**
7 **THE BENEFIT OF THE FUND.**

8 **(F) THE FUND MAY BE USED ONLY FOR ESTABLISHING AND OPERATING**
9 **FOOD AGGREGATION, STORAGE, PROCESSING, AND DISTRIBUTION SITES ACROSS**
10 **THE STATE THROUGH GRANTS AND NEAR-EQUITY INVESTMENTS.**

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

13 **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**
14 **THE FUND.**

15 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**
16 **October 1, 2020.**