SENATE BILL 946

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By: **Senator Hayes**
Introduced and read first time: February 3, 2020
Assigned to: Education, Health, and Environmental Affairs and Budget and Taxation

A BILL ENTITLED

1   AN ACT concerning

2   **Housing and Community Development – Neighborhood Revitalization – Passive**
3   **House Pilot Program**

4   FOR the purpose of establishing the Passive House Pilot Program in the Department of
5   Housing and Community Development; establishing the purposes of the Program;
6   requiring the Department to solicit proposals from nonprofit organizations that
7   feature certain elements; requiring the Department to give priority to proposals for
8   which a nonprofit organization partners with certain educational institutions;
9   establishing the Passive House Pilot Program Fund as a special, nonlapsing fund;
10   specifying the purpose of the Fund; requiring the Secretary of Housing and
11   Community Development or the Secretary's designee to administer the Fund;
12   requiring the State Treasurer to hold the Fund and the Comptroller to account for
13   the Fund; specifying the contents of the Fund; requiring the Governor, for certain
14   fiscal years, to include a certain appropriation in the annual budget bill for the Fund;
15   providing for the investment of money in and expenditures from the Fund; requiring
16   interest earnings of the Fund to be credited to the Fund; providing that certain
17   appropriations and expenditures are subject to audit by the Office of Legislative
18   Audits; exempting the Fund from a certain provision of law requiring interest
19   earnings on State money to accrue to the General Fund of the State; requiring the
20   Department to adopt certain regulations; defining certain terms; providing for the
21   termination of this Act; and generally relating to the Passive House Pilot Program.

22   BY repealing and reenacting, without amendments,
23   Article – Housing and Community Development
24   Section 1–101(a),(d), and (j)
25   Annotated Code of Maryland
26   (2019 Replacement Volume and 2019 Supplement)

27   BY adding to
28   Article – Housing and Community Development

1   Section 6–801 through 6–805 to be under the new subtitle "Subtitle 8. Passive House
2   Pilot Program"
3   Annotated Code of Maryland
4   (2019 Replacement Volume and 2019 Supplement)

5 BY repealing and reenacting, without amendments,
6   Article – State Finance and Procurement
7   Section 6–226(a)(2)(i)
8   Annotated Code of Maryland
9   (2015 Replacement Volume and 2019 Supplement)

10 BY repealing and reenacting, with amendments,
11   Article – State Finance and Procurement
12   Section 6–226(a)(2)(ii)121. and 122.
13   Annotated Code of Maryland
14   (2015 Replacement Volume and 2019 Supplement)

15 BY adding to
16   Article – State Finance and Procurement
17   Section 6–226(a)(2)(ii)123.
18   Annotated Code of Maryland
19   (2015 Replacement Volume and 2019 Supplement)

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

22   **Article – Housing and Community Development**

23 1–101.

24   (a)   In this Division I of this article the following words have the meanings
25 indicated.

26   (d)   "Department" means the Department of Housing and Community
27 Development.

28   (j)   "Secretary" means the Secretary of Housing and Community Development.

29   **SUBTITLE 8. PASSIVE HOUSE PILOT PROGRAM.**

30 **6–801.**

31   **(A)   IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
32 **INDICATED.**

33   **(B)   "FUND" MEANS THE PASSIVE HOUSE PILOT PROGRAM FUND.**

1   (C)   "PASSIVE HOUSE" MEANS A BUILDING THAT:

2   (1)   IS CONSTRUCTED OR UPGRADED USING THE PASSIVE HOUSE
3   INSTITUTE METHODOLOGY; AND

4   (2)   MEETS THE PASSIVE HOUSE STANDARD CRITERIA.

5   (D)   "PASSIVE HOUSE STANDARD" MEANS AN INTERNATIONAL BUILDING
6   STANDARD DEVELOPED BY THE PASSIVE HOUSE INSTITUTE.

7   (E)   "PROGRAM" MEANS THE PASSIVE HOUSE PILOT PROGRAM.

8   6–802.

9   (A)   THERE IS A PASSIVE HOUSE PILOT PROGRAM IN THE DEPARTMENT.

10   (B)   THE DEPARTMENT SHALL ADMINISTER THE PROGRAM.

11   (C)   THE PURPOSE OF THE PROGRAM IS TO ASSIST A NONPROFIT
12   ORGANIZATION IN PARTNERSHIP WITH NEIGHBORING HIGH SCHOOLS AND
13   INSTITUTES OF HIGHER EDUCATION, TO PROVIDE STUDENTS WITH CAREER AND
14   TECHNICAL EDUCATIONAL EXPERIENCES THROUGH THE RENOVATION OF
15   RESIDENTIAL PROPERTIES TO BECOME PASSIVE HOUSES.

16   6–803.

17   (A)   THE DEPARTMENT SHALL SOLICIT PROPOSALS FROM NONPROFIT
18   ORGANIZATIONS FOR THE PROGRAM THAT FEATURE:

19   (1)   THE ACQUISITION OF ONE OR MORE PROPERTIES FOR
20   RENOVATION THAT ARE WITHIN CLOSE PROXIMITY OF A HIGH SCHOOL LOCATED IN
21   BALTIMORE CITY;

22   (2)   RENOVATION OF THE ACQUIRED PROPERTY OR PROPERTIES BY:

23   (I)   USING COMPONENTS CERTIFIED BY THE PASSIVE HOUSE
24   INSTITUTE; AND

25   (II)   BRINGING THE PROPERTY OR PROPERTIES INTO
26   COMPLIANCE WITH THE CRITERIA FOR PASSIVE HOUSES AS ESTABLISHED BY THE
27   PASSIVE HOUSE INSTITUTE;

1   **(3)**   PROVIDING STUDENTS, THROUGH THE RENOVATION PROCESS,
2   CAREER AND TECHNICAL EDUCATIONAL EXPERIENCES; AND

3   **(4)**   ENSURING THAT ANY RENOVATED PROPERTY IS UTILIZED TO
4   PROVIDE AFFORDABLE HOUSING IN THE NEIGHBORHOOD IN WHICH THE PROPERTY
5   IS LOCATED.

6   **(B)**   THE DEPARTMENT SHALL GIVE PRIORITY TO PROPOSALS FOR WHICH A
7   NONPROFIT ORGANIZATION PARTNERS WITH A HIGH SCHOOL AND INSTITUTIONS OF
8   HIGHER EDUCATION LOCATED IN BALTIMORE CITY TO ACCOMPLISH THE PROPOSAL
9   ELEMENTS REQUIRED UNDER SUBSECTION (A) OF THIS SECTION.

10 **6–804.**

11   **(A)**   THERE IS A PASSIVE HOUSE PILOT PROGRAM FUND IN THE
12 DEPARTMENT.

13   **(B)**   THE PURPOSE OF THE FUND IS TO COVER THE FOLLOWING COSTS OF
14 THE PROGRAM:

15   **(1)**   PROPERTY ACQUISITION COSTS;

16   **(2)**   PROPERTY RENOVATION COSTS, INCLUDING:

17   **(I)**   DEMOLITION OR DECONSTRUCTION COSTS;

18   **(II)**   ARCHITECTURAL AND ENGINEERING DESIGN COSTS;

19   **(III)**   BUILDING MATERIAL COSTS; AND

20   **(IV)**   PASSIVE HOUSE CERTIFICATION COSTS; AND

21   **(3)**   ADMINISTRATIVE COSTS.

22   **(C)**   THE SECRETARY OR THE SECRETARY'S DESIGNEE SHALL ADMINISTER
23 THE FUND IN ACCORDANCE WITH THIS SUBTITLE AND ANY OTHER APPLICABLE LAW.

24   **(D)**   **(1)**   THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
25 SUBJECT TO REVERSION UNDER § 7–302 OF THE STATE FINANCE AND
26 PROCUREMENT ARTICLE.

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

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

2   **(1)**   APPROPRIATIONS AS PROVIDED IN THE **STATE** BUDGET;

3   **(2)**   ANY INTEREST EARNINGS OF THE **FUND**; AND

4   **(3)**   ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
5 THE BENEFIT OF THE **PROGRAM**.

6   **(F)**   THE **FUND** MAY BE USED ONLY FOR THE PURPOSES DESCRIBED UNDER
7 SUBSECTION (B) OF THIS SECTION.

8   **(G)**   FOR EACH OF THE FOLLOWING FISCAL YEARS, THE **GOVERNOR** SHALL
9 INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION TO THE **FUND** IN AN
10 AMOUNT EQUAL TO:

11   **(1)**   FOR FISCAL YEAR **2022, $300,000;**

12   **(2)**   FOR FISCAL YEAR **2023, $400,000;** AND

13   **(3)**   FOR FISCAL YEAR **2024, $300,000.**

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

16   **(2)**   ANY INVESTMENT EARNINGS OF THE **FUND** SHALL BE CREDITED
17 TO THE **FUND**.

18   **(I)**   THE **FUND** IS SUBJECT TO AUDIT BY THE **OFFICE OF LEGISLATIVE**
19 **AUDITS** AS PROVIDED IN § 2–1220 OF THE **STATE GOVERNMENT ARTICLE**.

20 **6–805.**

21   THE **DEPARTMENT** SHALL ADOPT REGULATIONS TO CARRY OUT THIS
22 SUBTITLE.

23   **Article – State Finance and Procurement**

24 6–226.

25   (a)   (2)   (i)   Notwithstanding any other provision of law, and unless
26 inconsistent with a federal law, grant agreement, or other federal requirement or with the
27 terms of a gift or settlement agreement, net interest on all State money allocated by the

1   State Treasurer under this section to special funds or accounts, and otherwise entitled to
2   receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
3   Fund of the State.

4   (ii)   The provisions of subparagraph (i) of this paragraph do not apply
5   to the followings funds:

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

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

10   **123.   THE PASSIVE HOUSE PILOT PROGRAM FUND**.

11   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12   October 1, 2020. It shall remain effective for a period of 4 years and, at the end of September
13   30, 2024, this Act, with no further action required by the General Assembly, shall be
14   abrogated and of no further force and effect.