



**Committee:** Directly to Council  
**Committee Review:** N/A  
**Staff:** Christine M.H. Wellons, Legislative Attorney  
**Purpose:** Final action – vote expected  
**Keywords:** #EconomicDevelopmentAssistance

AGENDA ITEM #7H  
February 23, 2021  
**Action**

## SUBJECT

Lead Sponsor: Councilmembers Glass

Resolution: Extension of Expiration Date of Bill 37-19, Economic Development Fund – Use of Fund and Remedies for Noncompliance

## EXPECTED ATTENDEES

None

## COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- Vote on whether to adopt a resolution to extend the expiration date of Bill 37-19 from June 3, 2021 to December 31, 2021.

## DESCRIPTION/ISSUE

- Bill 37-19 was introduced on December 3, 2019. A public hearing on Bill 37-19 was held on January 14, 2020. The Planning, Housing and Economic Development Committee held an initial worksession on Bill 37-19 on November 16, 2020. A second worksession on the bill is scheduled for March 4, 2021.
- Bill 37-19 is scheduled to expire on June 3, 2021. The Lead Sponsor, Councilmember Glass, wishes to extend the expiration date to December 31, 2021.

## SUMMARY OF KEY DISCUSSION POINTS

- N/A

## This report contains:

Resolution  
Bill 37-19

Page 1  
©1

\\Mcg-C058.Mcgv.Org\Central\_Staff\LAW\BILLS\1937 Econ Dev Fund Uses\Extension Resolution Cover Sheet.Docx

**Alternative format requests for people with disabilities.** If you need assistance accessing this report you may [submit alternative format requests](#) to the ADA Compliance Manager. The ADA Compliance Manager can also be reached at 240-777-6197 (TTY 240-777-6196) or at [adacompliance@montgomerycountymd.gov](mailto:adacompliance@montgomerycountymd.gov)

Resolution No.: \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Adopted: \_\_\_\_\_

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

---

Lead Sponsor: Councilmember Glass

---

**SUBJECT:** Extension of Expiration Date of Bill 37-19, Economic Development Fund – Use of Fund and Remedies for Noncompliance

**Background**

1. Bill 37-19, Economic Development Fund – Use of Fund and Remedies for Noncompliance was introduced on December 3, 2019. The sponsors are Lead Sponsor, Councilmember Glass and Co-Sponsors, Councilmembers Riemer and Jawando.
2. A public hearing on Bill 37-19 was held on January 14, 2020.
3. The Planning, Housing and Economic Development Committee held a worksession on Bill 37-19 on November 16, 2020.
4. A second worksession of the Planning, Housing and Economic Development Committee on Bill 37-19 is scheduled for March 4, 2021.
5. Bill 37-19 is scheduled to expire on June 3, 2021. The Council wishes to extend the expiration date to December 31, 2021.

**Action**

The County Council for Montgomery County, Maryland approves the following resolution:

The expiration date of Bill 37-19, Economic Development Fund – Use of Fund and Remedies for Noncompliance, is extended to December 31, 2021.

This is a correct copy of Council action.

---

Selena Mendy Singleton, Esq.  
Clerk of the Council

Bill No. 37-19  
Concerning: Economic Development  
Fund – Use of Fund and Remedies for  
Noncompliance  
Revised: 11/07/2019 Draft No. 4  
Introduced: December 3, 2019  
Expires: June 3, 2021  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: None  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Evan Glass  
Co-Sponsors: Councilmembers Riemer and Jawando

### AN ACT to:

- (1) require recipients of Economic Development Fund assistance to agree to certain terms and conditions regarding the use and repayment of the assistance;
- (2) alter eligibility requirements for the Small Business Innovation Research and Small Business Technology Transfer Matching Grants;
- (3) require the repayment to the County of Small Business Innovation Research and Small Business Technology Transfer Matching Grants in certain circumstances;
- (4) impose remedies related to the provision of false or fraudulent applications and the use of Fund assistance for unauthorized purposes; and
- (5) generally amend the law related to the Economic Development Fund.

### By amending

Montgomery County Code  
Chapter 20, Finance  
Sections 20-75 and 20-76E

### By adding

Chapter 20, Finance  
Section 20-76F

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

*The County Council for Montgomery County, Maryland approves the following Act:*

4 \* \* \*

(f) [Unless expressly inconsistent with any other federal, state, or County law, the] The terms and conditions of any assistance from the Fund:

7                   (1)   must be specified in a written agreement between the County and  
8                   the recipient; and

9           (2)   except to the extent expressly inconsistent with any other federal,  
0           state, or County law, must:

1           (A)   require the recipient to meet certain performance criteria  
2                   specified in the offer of assistance[, including a repayment  
3                   agreement unless the Executive justifies why repayment of  
4                   assistance is not required.];

(B) grant the Director the right to audit the recipient's  
compliance with the terms and conditions of assistance;

7 (C) require periodic reports from the recipient;

(D) prohibit the use of assistance from the Fund for  
unauthorized purposes; and

(E) provide remedies for the County, including the repayment of assistance, if the recipient:

2 (i) uses the assistance for an unauthorized  
3 purpose;

4 (ii) fails to meet performance criteria specified in  
5 the written agreement; or

6 (iii) otherwise breaches the written agreement.

\* \* \*

**20-76E. Small Business Innovation Research and Small Business Technology Transfer Matching Grant Program.**

\* \* \*

(c) *Eligibility.* A business is eligible to receive the matching grant if the business:

- (1) has been awarded a SBIR or STTR Phase I or Phase II grant during the current calendar year[ by the National Institutes of Health]; and
- (2) conducts at least 51% of its research and development operations at a physical location in the County.

\* \* \*

(f) Administration.

- (1) The Director must administer the Program.
- (2) The Director must require a business to enter into an agreement under Section 20-75(f), including an agreement to pay back any grant payments received if:
  - (A) the business does not remain in the County for [at least 2 years after receiving the grant payment.] a minimum time period specified in the agreement; or
  - (B) the business uses the payment for an unauthorized purpose.

\* \* \*

**20-76F. Remedies for Fraudulent Applications or Misuse of Funds.**

(a) The remedies under this Section supplement any other remedy available under the law, including any remedy under Section 20-75(f)(2).

(b) A person who submits a false or fraudulent application, or withholds material information, to obtain assistance under this Article has committed a Class A violation.

(c) A person who violates Subsection (b), or who uses assistance from the Fund for an unauthorized purpose under Section 20-75(f), is liable for all court costs and expenses and reasonable attorney's fees incurred by the County to recover any payment, interest, or penalty.