

HOUSE BILL 599

C8, C9

4lr4521
CF SB 483

By: **The Speaker (By Request – Administration) and Delegates Allen, Amprey, Anderton, Bagnall, Bhandari, Bouchat, Buckel, Charkoudian, Conaway, Crutchfield, Davis, Ebersole, Edelson, Fennell, Foley, Grossman, Guyton, Guzzone, Henson, Hill, Holmes, Hornberger, Jackson, A. Johnson, S. Johnson, D. Jones, Kaiser, Kaufman, J. Long, McCaskill, Moon, Palakovich Carr, Pasteur, Patterson, Phillips, Pruski, Qi, Roberts, Ruff, Ruth, Simmons, Simpson, Solomon, Spiegel, Taveras, Toles, Turner, Valderrama, Watson, White Holland, ~~and Williams~~ Williams, Boyce, Healey, Lehman, Stein, Terrasa**

Introduced and read first time: January 24, 2024

Assigned to: Environment and Transportation and Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 2, 2024

CHAPTER _____

1 AN ACT concerning

2 **Maryland Community Investment Corporation – Establishment**
3 **(Housing and Community Development Financing Act of 2024)**

4 FOR the purpose of establishing the Maryland Community Investment Corporation as an
5 independent unit to make investments in certain low-income communities;
6 authorizing the Board of Directors of the Corporation to establish a certain advisory
7 committee and requiring the Corporation to establish an investment committee;
8 requiring the Corporation to apply for an allocation of federal new markets tax
9 credits; establishing eligible uses of money of the Corporation; expanding the eligible
10 uses of the Strategic Demolition and Smart Growth Impact Fund to include grants
11 and loans for ~~debt payments and for~~ credit enhancement for certain projects; and
12 generally relating to community investment, the Maryland Community Investment
13 Corporation, and the Strategic Demolition and Smart Growth Impact Fund.

14 BY repealing and reenacting, without amendments,
15 Article – Economic Development
16 Section 9–101(a), (c), and (e)

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.



Annotated Code of Maryland
(2018 Replacement Volume and 2023 Supplement)

BY adding to

Article – Economic Development

Section 10–1101 through 10–1123 to be under the new subtitle “Subtitle 11.
Maryland Community Investment Corporation”

Annotated Code of Maryland
(2018 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, with amendments,

Article – Housing and Community Development
Section 4–508

Annotated Code of Maryland
(2019 Replacement Volume and 2023 Supplement)

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

Article – Economic Development

9–101.

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

(c) “Department” means the Department of Commerce.

(e) “Secretary” means the Secretary of Commerce.

SUBTITLE 11. MARYLAND COMMUNITY INVESTMENT CORPORATION.

10–1101.

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

(B) “BOARD” MEANS THE BOARD OF DIRECTORS OF THE CORPORATION.

(C) “CORPORATION” MEANS THE MARYLAND COMMUNITY INVESTMENT
CORPORATION.

(D) “INVESTMENT COMMITTEE” MEANS A COMMITTEE APPOINTED BY THE
BOARD TO ADVISE ON AND APPROVE INVESTMENTS AS REQUIRED UNDER THIS
SUBTITLE.

(E) "LOW-INCOME COMMUNITY" MEANS A COMMUNITY IN THE STATE THAT MEETS THE DEFINITION OF A LOW-INCOME COMMUNITY UNDER 26 U.S.C. § 45D(E)(1).

(F) "NEW MARKETS TAX CREDIT" MEANS THE FEDERAL TAX CREDITS ALLOCATED UNDER 26 U.S.C. § 45D.

(G) "QUALIFIED COMMUNITY DEVELOPMENT ENTITY" MEANS AN ENTITY THAT MEETS THE DEFINITION OF A QUALIFIED COMMUNITY DEVELOPMENT ENTITY UNDER 26 U.S.C. § 45D(C)(1).

(H) "QUALIFIED EQUITY INVESTMENT" MEANS AN INVESTMENT THAT MEETS THE DEFINITION OF A QUALIFIED EQUITY INVESTMENT UNDER 26 U.S.C. § 45D(B)(1).

10-1102.

THIS SUBTITLE SHALL BE LIBERALLY CONSTRUED TO CARRY OUT THE PURPOSES OF THIS SUBTITLE.

10-1103.

(A) THERE IS A MARYLAND COMMUNITY INVESTMENT CORPORATION.

(B) THE CORPORATION IS A BODY POLITIC AND CORPORATE AND IS AN INSTRUMENTALITY OF THE STATE.

10-1104.

THE PURPOSES OF THE CORPORATION ARE TO:

(1) DO ALL THINGS NECESSARY TO QUALIFY AS A QUALIFIED COMMUNITY DEVELOPMENT ENTITY;

(2) APPLY TO THE U.S. DEPARTMENT OF THE TREASURY TO BE DESIGNATED AS A QUALIFIED COMMUNITY DEVELOPMENT ENTITY;

(3) APPLY TO THE U.S. DEPARTMENT OF THE TREASURY FOR AN ALLOCATION OF NEW MARKETS TAX CREDITS;

(4) RECEIVE, MAKE, AND FACILITATE QUALIFIED EQUITY INVESTMENTS AND FINANCIAL ASSISTANCE AVAILABLE IN LOW-INCOME COMMUNITIES IN THE STATE;

(5) ALLOCATE ANY NEW MARKETS TAX CREDITS RECEIVED BY THE CORPORATION;

(6) COORDINATE WITH OTHER QUALIFIED COMMUNITY DEVELOPMENT ENTITIES IN THE STATE TO HELP ENSURE THAT LOW-INCOME COMMUNITIES ARE RECEIVING THE MAXIMUM BENEFIT OF QUALIFIED EQUITY INVESTMENTS IN THE STATE;

(7) MAKE INVESTMENTS AND FINANCIAL ASSISTANCE AVAILABLE TO LOW-INCOME COMMUNITIES IN THE STATE FROM THE CORPORATION'S MONEY OR FROM ANY OTHER SOURCE;

(8) BUILD A LONG-TERM FINANCIAL CAPACITY AND SUSTAINED INVESTMENT IN LOW-INCOME COMMUNITIES IN THE STATE;

(9) COORDINATE AND CREATE PATHWAYS TO FOLLOW-ON FINANCING IN THE STATE; AND

(10) FOSTER INCLUSIVE AND DIVERSE ENTREPRENEURSHIP AND INNOVATION THROUGHOUT THE STATE, WHICH MAY INCLUDE INITIATIVES TO RAISE AWARENESS OF PROGRAMS TO ASSIST LOW-INCOME COMMUNITIES.

10-1105.

(A) A BOARD OF DIRECTORS SHALL MANAGE THE CORPORATION AND ITS UNITS AND EXERCISE ITS CORPORATE POWERS.

(B) THE BOARD CONSISTS OF THE FOLLOWING MEMBERS:

(1) THE COMPTROLLER OR THE COMPTROLLER'S DESIGNEE;

(2) THE SECRETARY OR THE SECRETARY'S DESIGNEE;

(3) THE SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT OR THE SECRETARY'S DESIGNEE;

(4) THE SECRETARY OF PLANNING OR THE SECRETARY'S DESIGNEE;

(5) THE SECRETARY OF GENERAL SERVICES OR THE SECRETARY'S DESIGNEE; AND

(6) THE FOLLOWING MEMBERS APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE:

1 (I) ONE REPRESENTATIVE OF NONPROFIT ENTITIES IN THE
2 STATE; AND

3 (II) ONE REPRESENTATIVE OF LOW-INCOME COMMUNITIES.

4 (C) A MEMBER OF THE BOARD SHALL RESIDE IN THE STATE.

5 (D) IN MAKING APPOINTMENTS TO THE BOARD, THE GOVERNOR SHALL
6 CONSIDER:

7 (1) DIVERSITY; AND

8 (2) ALL GEOGRAPHIC REGIONS OF THE STATE.

9 (E) A MEMBER OF THE BOARD:

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

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

14 (F) (1) THE TERM OF AN APPOINTED MEMBER IS 4 YEARS.

15 (2) THE TERMS OF THE APPOINTED MEMBERS ARE STAGGERED AS
16 REQUIRED BY THE TERMS PROVIDED FOR MEMBERS ON OCTOBER 1, 2024.

17 (3) AT THE END OF A TERM, AN APPOINTED MEMBER CONTINUES TO
18 SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

19 (4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES
20 ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND
21 QUALIFIES.

22 (G) (1) THIS SUBSECTION APPLIES TO A MEMBER WHO IS APPOINTED BY
23 THE GOVERNOR UNDER SUBSECTION (B)(6) OF THIS SECTION.

24 (2) THE GOVERNOR MAY REMOVE AN APPOINTED MEMBER FOR
25 INCOMPETENCE, MISCONDUCT, OR FAILURE TO PERFORM THE DUTIES OF THE
26 POSITION.

27 10-1106.

28 THE BOARD SHALL ELECT A CHAIR FROM AMONG ITS MEMBERS.

10-1107.

(A) FOUR MEMBERS OF THE BOARD ARE A QUORUM.

(B) A MAJORITY VOTE OF THE MEMBERS PRESENT AT A MEETING HAVING A QUORUM IS NEEDED FOR THE CORPORATION TO ACT.

10-1108.

(A) THE BOARD SHALL APPOINT MEMBERS OF AN ADVISORY COMMITTEE.

(B) THE MEMBERSHIP OF THE ADVISORY COMMITTEE SHALL BE COMPOSED OF MEMBERS WHO ARE:

(1) REQUIRED FOR THE CORPORATION TO QUALIFY AS A QUALIFIED COMMUNITY DEVELOPMENT ENTITY UNDER 26 U.S.C. § 45D(c)(1);

(2) RESIDENTS OF THE STATE; AND

(3) GEOGRAPHICALLY REPRESENTATIVE OF THE LOCATIONS OF LOW-INCOME COMMUNITIES IN THE STATE.

(C) THE BOARD SHALL ADOPT POLICIES ESTABLISHING THE RESPONSIBILITIES OF THE ADVISORY COMMITTEE.

(D) THE ADVISORY COMMITTEE SHALL PRIORITIZE PROJECTS OWNED OR OPERATED BY ENTITIES THAT HAVE THEIR PRINCIPAL PLACE OF BUSINESS IN THE STATE WHEN ADVISING ON INVESTMENTS MADE IN LOW-INCOME COMMUNITIES IN THE STATE.

10-1109.

(A) THE CORPORATION SHALL ESTABLISH AN INVESTMENT COMMITTEE.

(B) THE CORPORATION SHALL ADOPT REGULATIONS ESTABLISHING:

(1) THE RESPONSIBILITIES OF THE INVESTMENT COMMITTEE; AND

(2) THE PROCEDURES FOR THE APPOINTMENT OF INVESTMENT COMMITTEE MEMBERS.

(C) MEMBERS OF THE INVESTMENT COMMITTEE SHALL BE GEOGRAPHICALLY REPRESENTATIVE OF THE LOCATIONS OF LOW-INCOME COMMUNITIES IN THE STATE.

1 **(D) THE INVESTMENT COMMITTEE SHALL PRIORITIZE PROJECTS THAT ARE**
2 **OWNED OR OPERATED BY ENTITIES THAT HAVE THEIR PRINCIPAL PLACE OF**
3 **BUSINESS IN THE STATE.**

4 **10-1110.**

5 **(A) THE CORPORATION SHALL EMPLOY A CHIEF EXECUTIVE OFFICER.**

6 **(B) THE CHIEF EXECUTIVE OFFICER SHALL HAVE EXPERIENCE WITH AND**
7 **POSSESS QUALIFICATIONS RELEVANT TO THE ACTIVITIES AND PURPOSES OF THE**
8 **CORPORATION.**

9 **(C) THE CHIEF EXECUTIVE OFFICER MAY NOT BE A MEMBER OF THE**
10 **BOARD.**

11 **10-1111.**

12 **(A) THE ATTORNEY GENERAL IS THE LEGAL ADVISOR TO THE**
13 **CORPORATION.**

14 **(B) (1) THE ATTORNEY GENERAL SHALL ASSIGN TO THE CORPORATION**
15 **ASSISTANT ATTORNEYS GENERAL.**

16 **(2) THE ATTORNEY GENERAL SHALL DESIGNATE ONE ASSISTANT**
17 **ATTORNEY GENERAL AS GENERAL COUNSEL TO THE CORPORATION.**

18 **(3) (I) THE GENERAL COUNSEL TO THE CORPORATION SHALL:**

19 **1. ADVISE THE CHIEF EXECUTIVE OFFICER, THE**
20 **BOARD, AND ANY OTHER OFFICIAL OF THE CORPORATION AS REQUESTED BY THE**
21 **CORPORATION;**

22 **2. SUPERVISE THE OTHER ASSISTANT ATTORNEYS**
23 **GENERAL ASSIGNED TO THE CORPORATION; AND**

24 **3. PERFORM FOR THE CORPORATION OTHER DUTIES**
25 **THE ATTORNEY GENERAL ASSIGNS.**

26 **(II) THE GENERAL COUNSEL MAY NOT PROVIDE ANY OTHER**
27 **ASSISTANCE NOT SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH.**

28 **(C) WITH THE APPROVAL OF THE ATTORNEY GENERAL, THE CORPORATION**
29 **MAY RETAIN ANY ADDITIONAL NECESSARY ATTORNEYS.**

1 **10-1112.**

2 (A) THE DEPARTMENT AND THE DEPARTMENT OF HOUSING AND
3 COMMUNITY DEVELOPMENT MAY PROVIDE STAFF TO THE CORPORATION AS
4 PROVIDED IN THE STATE BUDGET.

5 (B) THE CORPORATION MAY RETAIN ANY NECESSARY ACCOUNTANTS,
6 ENGINEERS, FINANCIAL ADVISORS, OR OTHER CONSULTANTS.

7 **10-1113.**

8 (A) EXCEPT AS PROVIDED IN SUBSECTIONS (B), (C), AND (E) OF THIS
9 SECTION, THE CORPORATION IS EXEMPT FROM TITLE 10 AND DIVISION II OF THE
10 STATE FINANCE AND PROCUREMENT ARTICLE.

11 (B) THE CORPORATION IS SUBJECT TO THE PUBLIC INFORMATION ACT.

12 (C) THE BOARD, THE OFFICERS AND EMPLOYEES OF THE CORPORATION,
13 MEMBERS OF THE INVESTMENT COMMITTEE, AND MEMBERS OF ANY ADVISORY
14 COMMITTEE APPOINTED ARE SUBJECT TO THE PUBLIC ETHICS LAW.

15 (D) THE OFFICERS AND EMPLOYEES OF THE CORPORATION ARE NOT
16 SUBJECT TO THE PROVISIONS OF DIVISION I OF THE STATE PERSONNEL AND
17 PENSIONS ARTICLE THAT GOVERN THE STATE PERSONNEL MANAGEMENT SYSTEM.

18 (E) (1) THE CORPORATION, THE BOARD, AND EMPLOYEES OF THE
19 CORPORATION ARE SUBJECT TO TITLE 12, SUBTITLE 4 OF THE STATE FINANCE AND
20 PROCUREMENT ARTICLE.

21 (2) THE BOARD, THE OFFICERS AND EMPLOYEES OF THE
22 CORPORATION, THE MEMBERS OF THE INVESTMENT COMMITTEE, AND THE
23 MEMBERS OF ANY ADVISORY COMMITTEE APPOINTED SHALL DISCLOSE TO THE
24 STATE ETHICS COMMISSION WHETHER THEY ARE EMPLOYED BY OR HAVE A
25 FINANCIAL INTEREST IN AN ENTITY THAT CURRENTLY HAS OR WILL APPLY FOR
26 FUNDS OR AN INVESTMENT IN A PROGRAM ADMINISTERED BY THE CORPORATION.

27 (F) FOR PURPOSES OF THE OPEN MEETINGS ACT, A PROJECT SITE VISIT OR
28 EDUCATIONAL FIELD TOUR MAY NOT BE CONSIDERED A MEETING OF THE
29 CORPORATION IF NO ORGANIZATIONAL BUSINESS IS CONDUCTED.

30 **10-1114.**

31 (A) THE CORPORATION SHALL ESTABLISH A SYSTEM OF FINANCIAL
32 ACCOUNTING, CONTROLS, AUDITS, AND REPORTS.

1 **(B) THE FISCAL YEAR OF THE CORPORATION BEGINS ON JULY 1 AND ENDS**
2 **ON THE FOLLOWING JUNE 30.**

3 **10-1115.**

4 **(A) THE CORPORATION MAY CREATE AND ADMINISTER THE ACCOUNTS**
5 **THAT IT REQUIRES.**

6 **(B) THE CORPORATION SHALL DEPOSIT ITS MONEY INTO A STATE OR**
7 **NATIONAL BANK OR A FEDERALLY INSURED SAVINGS AND LOAN ASSOCIATION THAT**
8 **HAS A TOTAL PAID-IN CAPITAL OF AT LEAST \$1,000,000.**

9 **(C) THE CORPORATION MAY DESIGNATE THE TRUST DEPARTMENT OF A**
10 **STATE BANK, NATIONAL BANK, OR SAVINGS AND LOAN ASSOCIATION AS A**
11 **DEPOSITORY TO RECEIVE SECURITIES THAT THE CORPORATION OWNS OR**
12 **ACQUIRES.**

13 **(D) UNLESS AN AGREEMENT OR COVENANT BETWEEN THE CORPORATION**
14 **AND THE HOLDERS OF ITS OBLIGATIONS LIMITS CLASSES OF INVESTMENTS, THE**
15 **CORPORATION MAY INVEST ITS MONEY IN BONDS OR OTHER OBLIGATIONS OF, OR**
16 **GUARANTEED AS TO PRINCIPAL AND INTEREST BY, THE UNITED STATES, THE**
17 **STATE, OR A GOVERNMENTAL UNIT.**

18 **(E) ANY INCOME FROM THE INVESTMENT OF MONEY OF THE CORPORATION,**
19 **INCLUDING INVESTMENT PROCEEDS AND EARNINGS, SHALL BE CREDITED TO THE**
20 **CORPORATION.**

21 **10-1116.**

22 **THE CORPORATION MAY:**

23 **(1) ADOPT BYLAWS FOR THE CONDUCT OF ITS BUSINESS;**

24 **(2) ADOPT A SEAL;**

25 **(3) MAINTAIN OFFICES AT A PLACE IT DESIGNATES IN THE STATE;**

26 **(4) ACCEPT LOANS, GRANTS, INVESTMENTS, OR ASSISTANCE OF ANY**
27 **KIND FROM THE FEDERAL OR STATE GOVERNMENT, A LOCAL GOVERNMENT, A**
28 **COLLEGE OR UNIVERSITY, OR A PRIVATE SOURCE;**

29 **(5) ENTER INTO CONTRACTS AND OTHER LEGAL INSTRUMENTS;**

(6) SUE OR BE SUED;

(7) ACQUIRE, PURCHASE, HOLD, LEASE AS LESSEE, AND USE:

(I) A FRANCHISE, PATENT, OR LICENSE;

**(II) ANY REAL, PERSONAL, MIXED, TANGIBLE, OR INTANGIBLE
PROPERTY; OR**

(III) AN INTEREST IN THE PROPERTY LISTED IN THIS ITEM;

**(8) SELL, LEASE AS LESSOR, TRANSFER, LICENSE, ASSIGN, OR
DISPOSE OF PROPERTY OR A PROPERTY INTEREST THAT IT ACQUIRES;**

**(9) FIX AND COLLECT RATES, RENTALS, FEES, ROYALTIES, AND
CHARGES FOR SERVICES AND RESOURCES IT PROVIDES OR MAKES AVAILABLE;**

**(10) CREATE, OWN, CONTROL, OR BE A MEMBER OF A CORPORATION,
LIMITED LIABILITY COMPANY, PARTNERSHIP, OR OTHER ENTITY, WHETHER
OPERATED FOR PROFIT OR NOT FOR PROFIT;**

**(11) EXERCISE POWER USUALLY POSSESSED BY A PRIVATE
CORPORATION IN PERFORMING SIMILAR FUNCTIONS UNLESS TO DO SO WOULD
CONFLICT WITH STATE LAW; AND**

**(12) DO ALL THINGS NECESSARY OR CONVENIENT TO CARRY OUT THIS
SUBTITLE.**

10-1117.

THE BOARD SHALL:

**(1) DEVELOP A PUBLIC AND INTERNAL STRATEGIC PLAN THAT
INCLUDES:**

(I) PERFORMANCE GOALS AND MEASURES;

(II) A MISSION STATEMENT AND CORE VALUES;

**(III) AN ANALYSIS OF STRENGTHS, WEAKNESSES,
OPPORTUNITIES, AND THREATS;**

(IV) ACTION PLANS; AND

(V) YEARLY AND LONG-TERM GOALS AND OBJECTIVES;

1 **(2) REVIEW STRATEGIC PLANS AND UPDATE THE PLANS ANNUALLY**
2 **TO MEASURE PERFORMANCE;**

3 **(3) APPROVE COMPENSATION PLANS FOR THE CHIEF EXECUTIVE**
4 **OFFICER AND EMPLOYEES OF THE CORPORATION;**

5 **(4) DESIGNATE A PERSON TO REVIEW AND APPROVE EXPENSE**
6 **REIMBURSEMENTS OF THE CHIEF EXECUTIVE OFFICER AND EMPLOYEES OF THE**
7 **CORPORATION IN ACCORDANCE WITH STANDARDS ESTABLISHED BY THE BOARD;**

8 **(5) DESIGNATE A PERSON TO RECEIVE ETHICS COMPLAINTS AND ANY**
9 **COMPLAINTS INVOLVING THE BOARD, THE CHIEF EXECUTIVE OFFICER, AND**
10 **EMPLOYEES OF THE CORPORATION;**

11 **(6) ESTABLISH POLICIES THAT GOVERN:**

12 **(I) SEVERANCE PACKAGES FOR EMPLOYEES THAT**
13 **INVOLUNTARILY LEAVE EMPLOYMENT;**

14 **(II) TUITION REIMBURSEMENT AND LIMITS FOR EMPLOYEES;**

15 **(III) ELIGIBLE EXPENSE REIMBURSEMENT REQUIREMENTS**
16 **THAT INCLUDE:**

17 **1. THE TYPES OF EXPENSES THAT ARE CONSIDERED**
18 **PART OF CORPORATION FUNCTIONS;**

19 **2. LIMITS ON REIMBURSEMENTS AND TIME FRAMES FOR**
20 **SUBMISSION; AND**

21 **3. ALLOWABLE TRAVEL EXPENSES INCLUDING ANY**
22 **OUT-OF-STATE TRAVEL;**

23 **(IV) THE USE OF ALL CORPORATION EQUIPMENT, PERSONAL**
24 **PROPERTY, AND REAL PROPERTY AND WHETHER ANY PROPERTY MAY BE**
25 **TRANSFERRED TO A DEPARTING EMPLOYEE; AND**

26 **(V) WHISTLEBLOWER COMPLAINTS AND PROTECTIONS FOR**
27 **THOSE FILING COMPLAINTS; AND**

28 **(7) CONDUCT AN ANNUAL PERFORMANCE REVIEW OF THE CHIEF**
29 **OPERATING OFFICER.**

10-1118.

(A) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, THE CORPORATION MAY MAKE QUALIFIED EQUITY INVESTMENTS AND OTHER FINANCIAL ASSISTANCE AVAILABLE TO PROJECTS IN LOW-INCOME COMMUNITIES IF THE INVESTMENTS ARE MADE ON REVIEW AND APPROVAL OF A WRITTEN APPLICATION THAT CONTAINS:

(1) SUFFICIENT INFORMATION TO VERIFY THAT THE PROJECT IS IN THE STATE; AND

(2) A CERTIFICATION OF THE VERACITY OF THE INFORMATION BY AN AUTHORIZED SIGNATORY OF THE APPLICANT.

(B) IN REGARD TO ANY AND ALL PROGRAMS OF THE CORPORATION, EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, THE CORPORATION SHALL ADOPT REGULATIONS TO GOVERN INVESTMENTS UNDER THIS SUBSECTION THAT SPECIFY:

(1) THE TYPES OF BUSINESSES AND PROJECTS IN WHICH AN INVESTMENT MAY BE MADE;

(2) THE BASIC STANDARDS AN ENTERPRISE SHALL MEET TO QUALIFY FOR AN INVESTMENT;

(3) THE AMOUNT OF MONEY AVAILABLE FOR INVESTMENT;

(4) THE INVESTMENT POLICY STATEMENT OF THE CORPORATION THAT DESCRIBES THE PROCEDURES, CRITERIA, INVESTMENT PHILOSOPHY, AND GUIDELINES FOR HOW THE CORPORATION'S INVESTMENT DECISIONS WILL BE MADE; AND

(5) A PROCESS FOR CONSIDERING WHETHER INVESTMENTS HELP TO FOSTER INCLUSIVE AND DIVERSE ENTREPRENEURSHIP, INCLUDING THE CORPORATION'S SUPPORT FOR LOW-INCOME COMMUNITIES.

(C) THE CORPORATION MAY MAKE INVESTMENTS UNDER AN AGREEMENT WITH THE BOARD OF TRUSTEES FOR THE STATE RETIREMENT AND PENSION SYSTEM UNDER § 21-123.2 OF THE STATE PERSONNEL AND PENSIONS ARTICLE.

10-1119.

THE CORPORATION MAY:

1 (1) PROVIDE EQUITY INVESTMENT TO A QUALIFIED BUSINESS OR
2 PROJECT IN THE FORM OF A GRANT, LOAN, TAX CREDIT ALLOCATION, OR ANY OTHER
3 FORM OF FINANCIAL ASSISTANCE TO CARRY OUT ITS PURPOSES;

4 (2) ACQUIRE, DEVELOP, IMPROVE, MANAGE, MARKET, LICENSE,
5 SUBLICENSE, MAINTAIN, LEASE AS LESSOR OR LESSEE, OR OPERATE A PROJECT IN
6 THE STATE TO CARRY OUT ITS PURPOSES; AND

7 (3) ACQUIRE, DIRECTLY OR INDIRECTLY, FROM A PERSON OR
8 POLITICAL SUBDIVISION, BY PURCHASE, GIFT, OR DEVISE, ANY PROPERTY,
9 RIGHTS-OF-WAY, FRANCHISES, EASEMENTS, OR OTHER INTERESTS IN LAND,
10 INCLUDING SUBMERGED LAND AND RIPARIAN RIGHTS:

11 (I) AS NECESSARY OR CONVENIENT TO IMPROVE OR OPERATE
12 A PROJECT TO CARRY OUT ITS PURPOSES; AND

13 (II) ON THE TERMS AND AT THE PRICES THAT THE
14 CORPORATION CONSIDERS REASONABLE.

15 10-1120.

16 A DEBT, CLAIM, OBLIGATION, OR LIABILITY OF THE CORPORATION OR ANY
17 SUBSIDIARY IS NOT:

18 (1) A DEBT, CLAIM, OBLIGATION, OR LIABILITY OF THE STATE, A UNIT
19 OR INSTRUMENTALITY OF THE STATE, OR OF A STATE OFFICER OR STATE
20 EMPLOYEE; OR

21 (2) A PLEDGE OF THE CREDIT OF THE STATE.

22 10-1121.

23 THE CORPORATION IS EXEMPT FROM STATE AND LOCAL TAXES.

24 10-1122.

25 (A) THE BOOKS AND RECORDS OF THE CORPORATION ARE SUBJECT TO
26 AUDIT:

27 (1) AT ANY TIME BY THE STATE; AND

28 (2) EACH YEAR BY AN INDEPENDENT AUDITOR, INCLUDING AN
29 ANNUAL FINANCIAL STATEMENT UNDER GENERALLY ACCEPTED ACCOUNTING
30 PRINCIPLES.

(B) THE CORPORATION SHALL CONDUCT AN INDEPENDENT ASSESSMENT OF THE BOARD AND THE CORPORATION EVERY 5 YEARS.

10-1123.

(A) (1) ON OR BEFORE OCTOBER 1 EACH YEAR, THE CORPORATION SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

(2) THE REPORT REQUIRED UNDER THIS SUBSECTION SHALL INCLUDE:

(I) A COMPLETE OPERATING AND FINANCIAL STATEMENT COVERING THE CORPORATION'S OPERATIONS;

(II) A SUMMARY OF THE CORPORATION'S ACTIVITIES DURING THE PRECEDING FISCAL YEAR;

(III) INFORMATION ON ALL SALARIES AND ANY INCENTIVES APPROVED BY THE BOARD FOR CORPORATION EMPLOYEES;

(IV) INFORMATION ON OUTREACH, TRAINING, MENTORSHIP, SUPPORT, AND INVESTMENT IN MINORITY- AND WOMEN-OWNED QUALIFIED BUSINESSES, INCLUDING SUPPORT FOR MARKETING BY THE MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY;

(V) INFORMATION ON ENTITIES THAT HAVE CURRENT INVESTMENTS AND ENTITIES THAT RECEIVED FUNDING OR INVESTMENTS IN THE CURRENT YEAR ON:

1. THE PRINCIPAL BUSINESS OPERATIONS;

2. THE NUMBER OF EMPLOYEES IN THE STATE AND THE NUMBER OF EMPLOYEES OUTSIDE THE STATE;

3. THE CAPITAL OR OTHER INVESTMENTS MADE IN THE STATE; AND

4. THE PROPOSED AND ACTUAL JOB CREATION OR CAPITAL INVESTMENT IN THE STATE AS A RESULT OF THE INVESTMENT OR SUPPORT;

1 (VI) INFORMATION ON THE CREATION OF AND APPOINTMENTS
2 MADE TO AN ADVISORY COMMITTEE AND THE RESPONSIBILITIES OF THE ADVISORY
3 COMMITTEE AND MEMBERS OF THE COMMITTEE; AND

4 (VII) THE POLICIES OF THE BOARD AND ANY CHANGES TO
5 EXISTING POLICIES.

6 (B) (1) ON A QUARTERLY BASIS, THE CORPORATION SHALL REPORT TO
7 THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT
8 ARTICLE, THE JOINT AUDIT AND EVALUATION COMMITTEE AND THE GENERAL
9 ASSEMBLY.

10 (2) THE REPORT REQUIRED UNDER THIS SUBSECTION SHALL
11 INCLUDE A LIST OF THE BUSINESSES AND PROJECTS RECEIVING SUPPORT THROUGH
12 PROGRAMS ADMINISTERED BY THE CORPORATION, INCLUDING THOSE RECEIVING
13 INVESTMENTS MADE UNDER § 21-123.2 OF THE STATE PERSONNEL AND PENSIONS
14 ARTICLE.

15 (3) THE LIST OF BUSINESSES AND PROJECTS RECEIVING SUPPORT
16 SHALL INCLUDE FOR EACH:

17 (I) THE NUMBER OF EMPLOYEES IN THE STATE;

18 (II) THE NUMBER OF EMPLOYEES OUTSIDE THE STATE;

19 (III) THE CAPITAL OR OTHER INVESTMENTS MADE IN THE STATE;

20 AND

21 (IV) PROPOSED JOB CREATION OR CAPITAL INVESTMENT IN THE
22 STATE AS A RESULT OF THE INVESTMENT OR SUPPORT.

23 (C) THE CORPORATION SHALL PUBLISH ANNUAL FINANCIAL STATEMENTS,
24 AUDIT REPORTS, AND POLICIES OF THE BOARD VISIBLY ON ITS WEBSITE.

25 Article – Housing and Community Development

26 4-508.

27 (a) In this section, “Fund” means the Strategic Demolition and Smart Growth
28 Impact Fund.

29 (b) There is a Strategic Demolition and Smart Growth Impact Fund.

30 (c) The purpose of the Fund is to provide grants and loans to assist in
31 predevelopment activities, including interior and exterior demolition, land assembly,

1 architecture and engineering, [and] site development, ~~DEBT PAYMENTS, AND CREDIT~~
2 **ENHANCEMENT** for revitalization projects in designated areas of the State.

3 (d) The Department shall administer the Fund.

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

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

8 (f) The Fund consists of:

9 (1) money appropriated in the State budget to the Fund;

10 (2) repayments of loans made from the Fund;

11 (3) interest earnings of the Fund; and

12 (4) any other money from any other source accepted for the benefit of the
13 Fund.

14 (g) (1) The Fund may be used only to provide grants and loans to government
15 agencies and community development organizations for interior and exterior demolition,
16 land assembly, architecture and engineering, [and] site development, ~~DEBT PAYMENTS,~~
17 **AND CREDIT ENHANCEMENT** for revitalization projects in an area designated as:

18 (i) a Sustainable Community; or

19 (ii) a qualified opportunity zone designated under § 1400Z–1 of the
20 Internal Revenue Code in Allegany County, Garrett County, Somerset County, or Wicomico
21 County.

22 (2) (i) For fiscal years 2017 through 2019, to be eligible for a grant or
23 loan from the Fund, a government agency or community development organization shall
24 provide evidence of a matching fund that is equal to \$1 for every \$4 in State funding that
25 the agency or organization is applying for from the Fund.

26 (ii) The matching fund required under subparagraph (i) of this
27 paragraph may include:

28 1. money from the federal government, local government, or
29 any other public or private source;

30 2. real property;

31 3. in-kind contributions; and

1 4. funds expended before the date the grant or loan is
2 awarded.

3 (3) For fiscal year 2020 and each fiscal year thereafter, to be eligible for a
4 grant or loan from the Fund, a government agency or community development organization
5 is not required to provide evidence of a matching fund.

6 (4) The Department shall award grants and loans from the Fund on a
7 competitive basis.

8 (h) (1) The State Treasurer shall invest the money of the Fund in the same
9 manner as other State money may be invested.

10 (2) Any interest earnings of the Fund shall be credited to the Fund.

11 (i) Expenditures from the Fund may be made only in accordance with the State
12 budget.

13 (j) (1) For fiscal year 2018, the Governor shall include in the annual budget
14 bill or capital budget bill an appropriation of \$25,625,000 from general funds or the
15 proceeds from the sale of State general obligation bonds to the Fund, which shall be
16 allocated as follows:

17 (i) \$22,125,000 for projects in Baltimore City; and

18 (ii) \$3,500,000 for projects throughout the State.

19 (2) For fiscal year 2019, the Governor shall include in the annual budget
20 bill or capital budget bill an appropriation of \$28,500,000 from general funds or the
21 proceeds from the sale of State general obligation bonds to the Fund, which shall be
22 allocated as follows:

23 (i) \$25,000,000 for projects in Baltimore City; and

24 (ii) \$3,500,000 for projects throughout the State.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
26 1, 2024.