

# HOUSE BILL 1213

Q3, F5

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By: **Delegates Haynes, Hettleman, Holmes, Jones, Morhaim, Rosenberg, Stein, and Walker**

Introduced and read first time: February 12, 2016

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Education – Broadening Options and Opportunity for Students and Teachers**  
3 **(BOOST) Program – Establishment**

4 FOR the purpose of establishing the Broadening Options and Opportunity for Students and  
5 Teachers (BOOST) Program for certain purposes; establishing a BOOST Authority  
6 in the Department of Economic Competitiveness and Commerce for certain purposes;  
7 providing for the membership and duties of the Authority; prohibiting members of  
8 the Authority from having certain financial interests; prohibiting members of the  
9 Authority from receiving certain compensation subject to a certain exception;  
10 requiring members of the Authority to file certain financial disclosures; establishing  
11 certain criteria and procedures for determining an eligible school and an eligible  
12 student; requiring that an eligible school make a certain reimbursement under  
13 certain circumstances; establishing certain criteria and procedures for awarding  
14 certain scholarships under certain circumstances; establishing the maximum  
15 scholarship amount under the Program; establishing the BOOST Fund as a special,  
16 nonlapsing fund; specifying the purpose of the Fund; requiring the Department, with  
17 advice and consultation of the Authority, to administer the Fund; requiring the State  
18 Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying  
19 the contents of the Fund; specifying the purpose for which the Fund may be used;  
20 providing for the investment of money in and expenditures from the Fund; requiring  
21 interest earnings of the Fund to be credited to the Fund; exempting the Fund from a  
22 certain provision of law requiring interest earnings on State money to accrue to the  
23 General Fund of the State; requiring the Department to obtain the services of an  
24 independent third party to conduct a bidding process for the purchase of certain tax  
25 credits for certain purposes; establishing certain requirements and procedures for  
26 certain offers for certain tax credit bids; limiting the total amount of tax credits that  
27 may be allocated; requiring certain designated contributions to be paid to the Fund  
28 in a certain amount; providing for the issuance and award of certain tax credit  
29 certificates; providing for certain penalties under certain circumstances; providing  
30 for the reallocation of certain designated contributions under certain circumstances;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 authorizing the Department to purchase certain insurance for certain purposes;  
2 requiring a certain disclosure under certain circumstances; authorizing a purchaser  
3 of certain tax credits to claim the credits in certain taxable years; providing for the  
4 transfer of certain tax credits; excluding certain tax credits from certain additional  
5 taxes; prohibiting a purchaser or affiliate from having certain interests in certain  
6 schools; requiring a certain amount to be transferred from the Fund into the  
7 Cigarette Restitution Fund by a certain date; authorizing certain transfers by budget  
8 amendment; requiring the Governor to make a certain appropriation to the Fund in  
9 a certain fiscal year to cover certain costs; providing that certain money in the Fund  
10 on a certain date reverts to the General Fund; stating the intent of the General  
11 Assembly; requiring the Department to submit a certain report to the Governor and  
12 the General Assembly by a certain date; providing for the construction of this Act;  
13 defining certain terms; providing for the termination of this Act; and generally  
14 relating to the Broadening Options and Opportunity for Students and Teachers  
15 (BOOST) Program.

16 BY adding to  
17 Article – Economic Development  
18 Section 5–1501 through 5–1514 to be under the new subtitle “Subtitle 15.  
19 Broadening Options and Opportunity for Students and Teachers (BOOST)  
20 Program”  
21 Annotated Code of Maryland  
22 (2008 Volume and 2015 Supplement)

23 BY adding to  
24 Article – Insurance  
25 Section 6–123  
26 Annotated Code of Maryland  
27 (2011 Replacement Volume and 2015 Supplement)

28 BY repealing and reenacting, without amendments,  
29 Article – State Finance and Procurement  
30 Section 6–226(a)(2)(i)  
31 Annotated Code of Maryland  
32 (2015 Replacement Volume)

33 BY repealing and reenacting, with amendments,  
34 Article – State Finance and Procurement  
35 Section 6–226(a)(2)(ii)84. and 85.  
36 Annotated Code of Maryland  
37 (2015 Replacement Volume)

38 BY adding to  
39 Article – State Finance and Procurement  
40 Section 6–226(a)(2)(ii)86.  
41 Annotated Code of Maryland  
42 (2015 Replacement Volume)

1 BY adding to  
2 Article – Tax – General  
3 Section 10–737  
4 Annotated Code of Maryland  
5 (2010 Replacement Volume and 2015 Supplement)

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

8 **Article – Economic Development**

9 **SUBTITLE 15. BROADENING OPTIONS AND OPPORTUNITY FOR STUDENTS AND**  
10 **TEACHERS (BOOST) PROGRAM.**

11 **5–1501.**

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

14 (B) (1) “AFFILIATE” MEANS:

15 (I) A PERSON WHO, DIRECTLY OR INDIRECTLY, BENEFICIALLY  
16 OWNS, CONTROLS, OR HOLDS POWER TO VOTE 15% OR MORE OF THE OUTSTANDING  
17 VOTING SECURITIES OR OTHER VOTING OWNERSHIP INTERESTS OF A CORPORATION  
18 OR AN INSURANCE COMPANY; OR

19 (II) A PERSON, 15% OR MORE OF WHOSE OUTSTANDING VOTING  
20 SECURITIES OR OTHER VOTING OWNERSHIP INTERESTS IS DIRECTLY OR  
21 INDIRECTLY BENEFICIALLY OWNED, CONTROLLED, OR HELD WITH POWER TO VOTE  
22 BY A CORPORATION OR AN INSURANCE COMPANY.

23 (2) “AFFILIATE” DOES NOT INCLUDE A CORPORATION OR AN  
24 INSURANCE COMPANY THAT BECOMES A PURCHASER IN ACCORDANCE WITH AN  
25 ALLOCATION OF INVESTMENT TAX CREDITS UNDER THE PROGRAM SOLELY BY  
26 REASON OF THE ALLOCATION.

27 (C) “AUTHORITY” MEANS THE MARYLAND BOOST AUTHORITY  
28 ESTABLISHED UNDER § 5–1502 OF THIS SUBTITLE.

29 (D) “BOOST FUND” MEANS THE BOOST FUND ESTABLISHED UNDER §  
30 5–1509 OF THIS SUBTITLE.

1           **(E) “CIGARETTE RESTITUTION FUND” MEANS THE FUND ESTABLISHED**  
2 **UNDER § 7-317 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

3           **(F) “CORPORATE INCOME TAX LIABILITY” MEANS:**

4                   **(1) ANY LIABILITY INCURRED BY A CORPORATION UNDER TITLE 10,**  
5 **SUBTITLE 3 OF THE TAX – GENERAL ARTICLE AS OF OCTOBER 1, 2016; OR**

6                   **(2) IF THE LIABILITY REFERRED TO IN ITEM (1) OF THIS SUBSECTION**  
7 **IS ELIMINATED OR REDUCED, ANY OTHER TAX LIABILITY THAT HAS BEEN IMPOSED**  
8 **BY THE STATE ON THE CORPORATION AS OF OCTOBER 1, 2016, NOT TO EXCEED THE**  
9 **AMOUNT OF THE LIABILITY ELIMINATED OR REDUCED.**

10           **(G) “DEPARTMENT” HAS THE MEANING STATED IN § 1-101 OF THIS**  
11 **ARTICLE.**

12           **(H) “DESIGNATED CONTRIBUTION” MEANS THE AMOUNT OF MONEY THAT A**  
13 **PURCHASER CONTRIBUTES UNDER THE PROGRAM.**

14           **(I) “ELIGIBLE SCHOOL” MEANS A SCHOOL THAT HAS BEEN DETERMINED BY**  
15 **THE AUTHORITY TO MEET THE CRITERIA ESTABLISHED UNDER § 5-1506 OF THIS**  
16 **SUBTITLE.**

17           **(J) “ELIGIBLE STUDENT” MEANS A STUDENT WHO ENROLLS IN AN ELIGIBLE**  
18 **SCHOOL AND MEETS THE REQUIREMENTS ESTABLISHED UNDER § 5-1507 OF THIS**  
19 **SUBTITLE.**

20           **(K) (1) “FEES” MEANS, SUBJECT TO PARAGRAPH (2) OF THIS**  
21 **SUBSECTION, AN AMOUNT CHARGED TO A STUDENT IN ADDITION TO TUITION IN**  
22 **ORDER TO PROVIDE INSTRUCTIONAL SERVICES.**

23                   **(2) “FEES” DOES NOT INCLUDE CHARGES FOR:**

24                           **(I) UNIFORMS;**

25                           **(II) PARTICIPATION IN FIELD TRIPS;**

26                           **(III) PARTICIPATION IN ATHLETICS; OR**

27                           **(IV) PARTICIPATION IN OTHER NONACADEMIC PROGRAMS OR**  
28 **ACTIVITIES.**

29           **(L) “INSURANCE PREMIUM TAX LIABILITY” MEANS:**

1           **(1) ANY LIABILITY INCURRED BY AN INSURANCE COMPANY UNDER**  
2 **TITLE 6, SUBTITLE 1 OF THE INSURANCE ARTICLE AS OF OCTOBER 1, 2016; OR**

3           **(2) IF THE LIABILITY REFERRED TO IN ITEM (1) OF THIS SUBSECTION**  
4 **IS ELIMINATED OR REDUCED, ANY OTHER TAX LIABILITY THAT HAS BEEN IMPOSED**  
5 **BY THE STATE ON THE INSURANCE COMPANY AS OF OCTOBER 1, 2016, NOT TO**  
6 **EXCEED THE AMOUNT OF THE LIABILITY ELIMINATED OR REDUCED.**

7           **(M) “PROGRAM” MEANS THE BROADENING OPTIONS AND OPPORTUNITY**  
8 **FOR STUDENTS AND TEACHERS (BOOST) PROGRAM ESTABLISHED UNDER THIS**  
9 **SUBTITLE.**

10          **(N) “PURCHASER” MEANS:**

11           **(1) AN INSURANCE COMPANY THAT:**

12                   **(I) IS AUTHORIZED TO DO BUSINESS IN THE STATE;**

13                   **(II) HAS INSURANCE PREMIUM TAX LIABILITY; AND**

14                   **(III) MAKES A DESIGNATED CONTRIBUTION TO PURCHASE AN**  
15 **ALLOCATION OF TAX CREDITS UNDER THE PROGRAM;**

16           **(2) A HOLDING COMPANY THAT:**

17                   **(I) HAS AT LEAST ONE INSURANCE COMPANY SUBSIDIARY**  
18 **AUTHORIZED TO DO BUSINESS IN THE STATE; AND**

19                   **(II) IS MAKING A DESIGNATED CONTRIBUTION ON BEHALF OF**  
20 **ONE OR MORE OF THESE SUBSIDIARIES; OR**

21           **(3) A CORPORATION THAT:**

22                   **(I) IS AUTHORIZED TO DO BUSINESS IN THE STATE;**

23                   **(II) HAS CORPORATE INCOME TAX LIABILITY; AND**

24                   **(III) MAKES A DESIGNATED CONTRIBUTION TO PURCHASE AN**  
25 **ALLOCATION OF TAX CREDITS UNDER THE PROGRAM.**

1           **(O) "TAX CREDIT" MEANS A CREDIT AGAINST INSURANCE PREMIUM TAX**  
2 **LIABILITY OR CORPORATE INCOME TAX LIABILITY OFFERED TO A PURCHASER**  
3 **UNDER THE PROGRAM.**

4 **5-1502.**

5           **(A) THERE IS A BOOST AUTHORITY IN THE DEPARTMENT.**

6           **(B) THE AUTHORITY CONSISTS OF THE FOLLOWING SEVEN MEMBERS:**

7                   **(1) TWO MEMBERS APPOINTED BY THE GOVERNOR;**

8                   **(2) TWO MEMBERS APPOINTED BY THE PRESIDENT OF THE SENATE;**

9                   **(3) TWO MEMBERS APPOINTED BY THE SPEAKER OF THE HOUSE OF**  
10 **DELEGATES; AND**

11                   **(4) ONE MEMBER JOINTLY APPOINTED BY THE PRESIDENT OF THE**  
12 **SENATE AND THE SPEAKER OF THE HOUSE OF DELEGATES TO SERVE AS THE CHAIR**  
13 **OF THE AUTHORITY.**

14           **(C) IN MAKING APPOINTMENTS, THE FOLLOWING SHALL BE TAKEN INTO**  
15 **CONSIDERATION:**

16                   **(1) EXPERIENCE IN EVALUATING FINANCIAL AID NEEDS;**

17                   **(2) EXPERIENCE IN THE OPERATIONS OF PRIVATE SCHOOLS;**

18                   **(3) GEOGRAPHIC DIVERSITY; AND**

19                   **(4) EXPERIENCE IN PROVIDING SERVICES TO ECONOMICALLY**  
20 **DISADVANTAGED CHILDREN.**

21           **(D) THE MEMBERS APPOINTED BY THE PRESIDENT AND THE SPEAKER MAY**  
22 **NOT BE ELECTED OFFICIALS.**

23           **(E) EACH MEMBER SHALL BE A RESIDENT OF THE STATE.**

24           **(F) A MEMBER OF THE AUTHORITY MAY NOT HAVE ANY FINANCIAL**  
25 **INTEREST IN AN ELIGIBLE SCHOOL.**

26 **5-1503.**

1           **(A) (1) FOUR MEMBERS OF THE AUTHORITY ARE A QUORUM.**

2                   **(2) AN ACT OF THE AUTHORITY MUST BE APPROVED BY A MAJORITY**  
3 **VOTE OF THE MEMBERS ATTENDING A MEETING AT WHICH A QUORUM IS PRESENT.**

4           **(B) A MEMBER OF THE AUTHORITY:**

5                   **(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE**  
6 **AUTHORITY; BUT**

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

9           **(C) A MEMBER OF THE AUTHORITY SHALL FILE A PUBLIC DISCLOSURE OF**  
10 **FINANCIAL INTERESTS AS REQUIRED UNDER THE MARYLAND PUBLIC ETHICS LAW.**

11 **5-1504.**

12           **(A) THE AUTHORITY SHALL:**

13                   **(1) OBTAIN SERVICES TO ASSIST IN THE PROMOTION OF THE**  
14 **PROGRAM, INCLUDING PROVIDING ASSISTANCE TO STUDENTS AND SCHOOLS TO**  
15 **COMPLETE APPLICATIONS NECESSARY UNDER THIS SUBTITLE;**

16                   **(2) MAKE THE FINAL SELECTION OF ELIGIBLE SCHOOLS AS PROVIDED**  
17 **UNDER § 5-1506 OF THIS SUBTITLE;**

18                   **(3) MAKE THE FINAL DETERMINATION OF ELIGIBLE STUDENTS AS**  
19 **PROVIDED UNDER § 5-1507 OF THIS SUBTITLE;**

20                   **(4) MAKE THE FINAL DETERMINATION OF SCHOLARSHIP AMOUNTS AS**  
21 **PROVIDED UNDER § 5-1508 OF THIS SUBTITLE; AND**

22                   **(5) ESTABLISH PROCEDURES NECESSARY TO CARRY OUT THE**  
23 **PROVISIONS OF THIS SUBTITLE.**

24           **(B) THE DEPARTMENT SHALL:**

25                   **(1) PROVIDE ADVICE TO AND CONSULT WITH THE AUTHORITY ON THE**  
26 **ADMINISTRATION OF THE PROGRAM UNDER THIS SUBTITLE; AND**

1           **(2) OBTAIN THE SERVICES OF AN INDEPENDENT THIRD PARTY TO**  
2 **CONDUCT A BIDDING PROCESS IN ORDER TO SECURE PURCHASERS FOR THE**  
3 **PROGRAM AS PROVIDED UNDER § 5-1510 OF THIS SUBTITLE.**

4 **5-1505.**

5           **(A) THERE IS A BROADENING OPTIONS AND OPPORTUNITY FOR**  
6 **STUDENTS AND TEACHERS (BOOST) PROGRAM IN THE AUTHORITY.**

7           **(B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE SCHOLARSHIPS**  
8 **TO ELIGIBLE STUDENTS TO ATTEND ELIGIBLE SCHOOLS.**

9 **5-1506.**

10           **(A) (1) A SCHOOL THAT MEETS THE CRITERIA ESTABLISHED UNDER THIS**  
11 **SECTION MAY APPLY TO THE AUTHORITY.**

12                   **(2) THE AUTHORITY SHALL ESTABLISH APPLICATION PROCEDURES.**

13                   **(3) THE AUTHORITY SHALL NOTIFY THE SCHOOL AS TO WHETHER IT**  
14 **HAS BEEN SELECTED AS AN ELIGIBLE SCHOOL.**

15           **(B) IN ORDER TO BE CONSIDERED ELIGIBLE, THE SCHOOL:**

16                   **(1) SHALL HOLD A CERTIFICATE OF APPROVAL ISSUED BY THE STATE**  
17 **BOARD OF EDUCATION;**

18                   **(2) SHALL ADMINISTER ASSESSMENTS TO STUDENTS IN ACCORDANCE**  
19 **WITH FEDERAL AND STATE LAW;**

20                   **(3) SHALL AGREE TO ACCEPT A SCHOLARSHIP PROVIDED UNDER THIS**  
21 **SUBTITLE AS FULL PAYMENT OF TUITION AND FEES;**

22                   **(4) SHALL AGREE THAT AT LEAST 5% OF ITS ENROLLMENT WILL BE**  
23 **ELIGIBLE STUDENTS;**

24                   **(5) MAY NOT PROVIDE EDUCATION BEYOND THE EIGHTH GRADE;**

25                   **(6) MAY NOT PROVIDE ONLY PREKINDERGARTEN EDUCATION**  
26 **PROGRAMS; AND**

27                   **(7) SHALL CERTIFY THAT IT IS IN COMPLIANCE WITH TITLE 20,**  
28 **SUBTITLE 6 OF THE STATE GOVERNMENT ARTICLE.**



1 (C) AN ELIGIBLE SCHOOL PARTICIPATING IN THE PROGRAM MAY NOT  
2 DISCRIMINATE IN STUDENT ADMISSIONS ON THE BASIS OF RACE, COLOR, NATIONAL  
3 ORIGIN, OR SEXUAL ORIENTATION.

4 (D) IF THE AUTHORITY DETERMINES THAT AN ELIGIBLE SCHOOL IS NOT  
5 COMPLIANT WITH THE REQUIREMENTS OF THIS SECTION, THE ELIGIBLE SCHOOL  
6 SHALL REIMBURSE TO THE AUTHORITY ALL SCHOLARSHIP FUNDS RECEIVED UNDER  
7 THIS SUBTITLE AND MAY NOT REQUIRE AN ELIGIBLE STUDENT TO INSTEAD PAY THE  
8 TUITION AND FEES.

9 5-1507.

10 (A) A STUDENT IS ELIGIBLE TO RECEIVE A SCHOLARSHIP UNDER THIS  
11 SUBTITLE IF:

12 (1) THE STUDENT IS ELIGIBLE FOR FREE OR REDUCED PRICE MEALS;  
13 AND

14 (2) THE STUDENT APPLIES TO THE AUTHORITY.

15 (B) (1) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, THE  
16 AUTHORITY SHALL COMPILE AND CERTIFY A LIST THAT RANKS ELIGIBLE STUDENTS  
17 BY FAMILY INCOME EXPRESSED AS A PERCENT OF THE MOST RECENT FEDERAL  
18 POVERTY LEVELS.

19 (2) THE AUTHORITY SHALL AWARD SCHOLARSHIPS TO ELIGIBLE  
20 STUDENTS IN THE ORDER OF THE RANKED LIST AS CERTIFIED UNDER PARAGRAPH  
21 (1) OF THIS SUBSECTION.

22 (C) AN ELIGIBLE STUDENT THAT IS AWARDED A SCHOLARSHIP SHALL  
23 REMAIN ELIGIBLE TO RECEIVE A SCHOLARSHIP FOR THE DURATION OF THE  
24 PROGRAM IF THE STUDENT CONTINUES TO FULFILL THE REQUIREMENTS UNDER  
25 SUBSECTION (A) OF THIS SECTION.

26 (D) (1) THE AUTHORITY SHALL ESTABLISH PROCEDURES FOR THE  
27 APPLICATION AND AWARD PROCESS.

28 (2) THE PROCEDURES SHALL INCLUDE CONSIDERATION FOR AWARD  
29 ADJUSTMENTS IF AN ELIGIBLE STUDENT BECOMES INELIGIBLE DURING THE  
30 COURSE OF AN ACADEMIC YEAR.

31 5-1508.

1           **(A) (1) THE MAXIMUM SCHOLARSHIP AMOUNT IS NOT MORE THAN THE**  
2 **STATEWIDE AVERAGE PER PUPIL EXPENDITURE BY A COUNTY BOARD OF**  
3 **EDUCATION OR THE TUITION OF THE ELIGIBLE SCHOOL, WHICHEVER IS LOWER.**

4           **(2) THE AMOUNT IN PARAGRAPH (1) OF THIS SUBSECTION SHALL BE**  
5 **ANNUALLY CALCULATED BY THE STATE DEPARTMENT OF EDUCATION WITH**  
6 **EXCEPTIONS FOR SPECIAL EDUCATION STUDENTS DETERMINED BY THE STATE**  
7 **DEPARTMENT OF EDUCATION TO BE APPROPRIATE.**

8           **(B) FOR ANY ADDITIONAL YEAR IN WHICH AN ELIGIBLE STUDENT RECEIVES**  
9 **A SCHOLARSHIP, THE AMOUNT CALCULATED UNDER SUBSECTION (A) OF THIS**  
10 **SECTION SHALL BE INCREASED BY THE SAME PERCENTAGE THAT THE TARGET PER**  
11 **PUPIL FOUNDATION AMOUNT IS INCREASED FOR THE SAME FISCAL YEAR UNDER**  
12 **TITLE 5, SUBTITLE 2 OF THE EDUCATION ARTICLE.**

13 **5-1509.**

14           **(A) THERE IS A BOOST FUND.**

15           **(B) THE PURPOSE OF THE FUND IS TO PROVIDE SCHOLARSHIPS TO**  
16 **ELIGIBLE STUDENTS TO ATTEND ELIGIBLE SCHOOLS.**

17           **(C) THE DEPARTMENT, WITH THE ADVICE AND CONSULTATION OF THE**  
18 **AUTHORITY, SHALL ADMINISTER THE FUND.**

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

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

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

24           **(1) REVENUE DISTRIBUTED TO THE FUND UNDER § 5-1511 OF THIS**  
25 **SUBTITLE;**

26           **(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**

27           **(3) MONEY APPROPRIATED IN THE STATE BUDGET OR TRANSFERRED**  
28 **BY BUDGET AMENDMENT FROM THE CIGARETTE RESTITUTION FUND;**

29           **(4) INTEREST EARNINGS OF THE FUND; AND**

1           **(5) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**  
2 **THE BENEFIT OF THE FUND.**

3           **(F) THE FUND MAY BE USED ONLY FOR:**

4           **(1) PROVIDING SCHOLARSHIPS TO ELIGIBLE STUDENTS ATTENDING**  
5 **ELIGIBLE SCHOOLS;**

6           **(2) THE REASONABLE COSTS OF ADMINISTERING THE PROGRAM,**  
7 **INCLUDING THE COSTS TO:**

8                   **(I) OBTAIN SERVICES UNDER § 5-1504 OF THIS SUBTITLE; AND**

9                   **(II) OBTAIN THE SERVICES OF AN INDEPENDENT THIRD PARTY**  
10 **UNDER § 5-1504 OF THIS SUBTITLE; AND**

11           **(3) REIMBURSE THE CIGARETTE RESTITUTION FUND AS REQUIRED**  
12 **UNDER § 5-1514 OF THIS SUBTITLE.**

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

15           **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**  
16 **THE FUND.**

17           **(H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**  
18 **WITH THE STATE BUDGET.**

19           **(I) ANY MONEY REMAINING IN THE FUND THAT IS NOT ALLOCATED TO**  
20 **SCHOLARSHIPS FOR ELIGIBLE STUDENTS SHALL REVERT TO THE GENERAL FUND**  
21 **ON JULY 1, 2021.**

22 **5-1510.**

23           **(A) THE DEPARTMENT SHALL OBTAIN THE SERVICES OF AN INDEPENDENT**  
24 **THIRD PARTY TO CONDUCT A BIDDING PROCESS IN ORDER TO SECURE PURCHASERS**  
25 **FOR THE PROGRAM AS PROVIDED IN THIS SECTION.**

26           **(B) USING THE PROCEDURES ADOPTED BY THE INDEPENDENT THIRD**  
27 **PARTY, EACH POTENTIAL PURCHASER SHALL MAKE A TIMELY AND IRREVOCABLE**  
28 **OFFER, SUBJECT ONLY TO THE DEPARTMENT'S ISSUANCE OF A TAX CREDIT**  
29 **CERTIFICATE TO THE PURCHASER, TO MAKE SPECIFIED DESIGNATED**

1 CONTRIBUTIONS TO THE DEPARTMENT ON THE DATE SPECIFIED IN § 5-1511 OF  
2 THIS SUBTITLE.

3 (C) THE OFFER SHALL INCLUDE:

4 (1) THE REQUESTED AMOUNT OF TAX CREDITS, WHICH MAY NOT BE  
5 LESS THAN \$500,000;

6 (2) THE POTENTIAL PURCHASER'S SPECIFIED CONTRIBUTION FOR  
7 EACH TAX CREDIT DOLLAR REQUESTED, WHICH MAY NOT BE LESS THAN THE  
8 GREATER OF:

9 (I) 70% OF THE REQUESTED DOLLAR AMOUNT OF TAX CREDITS;  
10 OR

11 (II) THE PERCENTAGE OF THE REQUESTED DOLLAR AMOUNT OF  
12 TAX CREDITS THAT THE SECRETARY, ON THE RECOMMENDATION OF THE  
13 INDEPENDENT THIRD PARTY, DETERMINES TO BE CONSISTENT WITH MARKET  
14 CONDITIONS AS OF THE OFFER DATE; AND

15 (3) ANY OTHER INFORMATION THE INDEPENDENT THIRD PARTY  
16 REQUIRES.

17 (D) (1) THE DEADLINE FOR SUBMISSION OF APPLICATIONS FOR TAX  
18 CREDITS IS FEBRUARY 1, 2017.

19 (2) EACH POTENTIAL PURCHASER SHALL RECEIVE A WRITTEN  
20 NOTICE FROM THE DEPARTMENT NOT LATER THAN MAY 1, 2017, INDICATING  
21 WHETHER OR NOT IT HAS BEEN APPROVED AS A PURCHASER AND, IF APPLICABLE,  
22 THE AMOUNT OF TAX CREDITS ALLOCATED.

23 (E) THE MAXIMUM AMOUNT OF TAX CREDITS THAT MAY BE ALLOCATED  
24 UNDER THIS SUBTITLE FOR ALL YEARS IN WHICH TAX CREDITS ARE ALLOCATED IS  
25 \$50,000,000.

26 5-1511.

27 (A) DESIGNATED CONTRIBUTIONS COMMITTED BY A PURCHASER SHALL BE  
28 PAID TO THE FUND IN ONE INSTALLMENT DUE ON JUNE 1, 2017.

29 (B) ON RECEIPT OF THE DESIGNATED CONTRIBUTION, THE DEPARTMENT  
30 SHALL ISSUE TO EACH PURCHASER A TAX CREDIT CERTIFICATE REPRESENTING A  
31 FULLY VESTED CREDIT AGAINST INSURANCE PREMIUM TAX LIABILITY OR

1 CORPORATE INCOME TAX LIABILITY EQUAL TO 100% OF THE TOTAL TAX CREDITS  
2 ALLOCATED TO THE PURCHASER.

3 (C) THE DEPARTMENT SHALL ISSUE TAX CREDIT CERTIFICATES TO  
4 PURCHASERS IN ACCORDANCE WITH THE BIDDING PROCESS ADMINISTERED UNDER  
5 § 5-1510 OF THIS SUBTITLE.

6 (D) THE TAX CREDIT CERTIFICATE SHALL STATE:

7 (1) THE TOTAL AMOUNT OF TAX CREDITS THAT THE PURCHASER MAY  
8 CLAIM;

9 (2) THE AMOUNT OF DESIGNATED CONTRIBUTION THAT THE  
10 PURCHASER HAS MADE IN RETURN FOR THE ISSUANCE OF THE TAX CREDIT  
11 CERTIFICATE;

12 (3) THE DATES ON WHICH THE TAX CREDITS WILL BE AVAILABLE FOR  
13 USE BY THE PURCHASER;

14 (4) ANY PENALTIES OR OTHER REMEDIES FOR NONCOMPLIANCE;

15 (5) THE PROCEDURES TO BE USED FOR TRANSFERRING THE TAX  
16 CREDITS; AND

17 (6) ANY OTHER REQUIREMENTS THE DEPARTMENT CONSIDERS  
18 NECESSARY.

19 (E) (1) A TAX CREDIT CERTIFICATE MAY NOT BE ISSUED TO ANY  
20 PURCHASER THAT FAILS TO MAKE A DESIGNATED CONTRIBUTION WITHIN THE TIME  
21 THE DEPARTMENT SPECIFIES.

22 (2) A PURCHASER THAT FAILS TO MAKE A DESIGNATED  
23 CONTRIBUTION WITHIN THE TIME THE DEPARTMENT SPECIFIES SHALL BE SUBJECT  
24 TO A PENALTY EQUAL TO 10% OF THE AMOUNT OF THE DESIGNATED CONTRIBUTION  
25 THAT REMAINS UNPAID, PAYABLE TO THE DEPARTMENT WITHIN 30 DAYS AFTER  
26 DEMAND BY THE DEPARTMENT.

27 (3) THE DEPARTMENT MAY OFFER TO REALLOCATE THE DEFAULTED  
28 DESIGNATED CONTRIBUTION AMONG THE OTHER PURCHASERS, SO THAT THE  
29 RESULT AFTER REALLOCATION IS THE SAME AS IF THE INITIAL ALLOCATION HAD  
30 BEEN PERFORMED WITHOUT CONSIDERING THE TAX CREDIT ALLOCATION TO THE  
31 DEFAULTING PURCHASER.

1           **(4) IF THE REALLOCATION OF DESIGNATED CONTRIBUTIONS**  
2 **RESULTS IN THE DESIGNATED CONTRIBUTION BY ANOTHER PURCHASER OR**  
3 **PURCHASERS OF THE AMOUNT OF DESIGNATED CONTRIBUTION NOT MADE BY THE**  
4 **DEFAULTING PURCHASER, THEN THE DEPARTMENT MAY WAIVE THE PENALTY**  
5 **PROVIDED UNDER THIS SUBSECTION.**

6           **(5) (I) A PURCHASER THAT FAILS TO MAKE A DESIGNATED**  
7 **CONTRIBUTION WITHIN THE TIME SPECIFIED MAY AVOID THE IMPOSITION OF THE**  
8 **PENALTY BY TRANSFERRING THE ALLOCATION OF TAX CREDITS TO A NEW OR**  
9 **EXISTING PURCHASER WITHIN 30 DAYS AFTER THE DUE DATE OF THE DEFAULTED**  
10 **PAYMENT.**

11           **(II) ANY TRANSFEREE OF AN ALLOCATION OF TAX CREDITS OF**  
12 **A DEFAULTING PURCHASER UNDER THIS SECTION SHALL AGREE TO MAKE THE**  
13 **REQUIRED DESIGNATED CONTRIBUTION WITHIN 30 DAYS AFTER THE DATE OF THE**  
14 **TRANSFER.**

15           **(6) (I) THE DEPARTMENT IN ITS SOLE DISCRETION MAY**  
16 **PURCHASE INSURANCE OR MAKE OTHER FINANCIAL ARRANGEMENTS IN ORDER TO**  
17 **ENSURE THE AVAILABILITY OF THE FULL AMOUNT OF DESIGNATED CONTRIBUTIONS**  
18 **COMMITTED BY PURCHASERS.**

19           **(II) THE DEPARTMENT SHALL DISCLOSE ANY PURCHASE OF**  
20 **INSURANCE OR OTHER SIMILAR FINANCIAL ARRANGEMENT UNDER THIS**  
21 **PARAGRAPH.**

22 **5-1512.**

23           **(A) A PURCHASER MAY CLAIM THE TAX CREDIT ON A TAX RETURN FILED**  
24 **AFTER DECEMBER 31, 2017, FOR A TAXABLE YEAR THAT BEGINS ON OR AFTER**  
25 **JANUARY 1, 2017.**

26           **(B) (1) THE CREDIT TO BE APPLIED AGAINST INSURANCE PREMIUM TAX**  
27 **LIABILITY OR CORPORATE INCOME TAX LIABILITY IN ANY 1 YEAR MAY NOT EXCEED**  
28 **THE INSURANCE PREMIUM TAX LIABILITY OR CORPORATE INCOME TAX LIABILITY**  
29 **OF THE PURCHASER FOR THAT TAXABLE YEAR.**

30           **(2) ANY UNUSED CREDIT AGAINST INSURANCE PREMIUM TAX**  
31 **LIABILITY OR CORPORATE INCOME TAX LIABILITY MAY BE CARRIED FORWARD**  
32 **INDEFINITELY UNTIL THE TAX CREDITS ARE USED.**

1           **(3) ON 30 DAYS' ADVANCE NOTICE TO THE DEPARTMENT, TAX**  
2 **CREDITS ALLOCATED TO A PURCHASER UNDER THIS SUBTITLE MAY BE**  
3 **TRANSFERRED WITHOUT FURTHER RESTRICTION TO ANY OTHER ENTITY THAT:**

4                   **(I) MEETS THE DEFINITION OF A PURCHASER; AND**

5                   **(II) AGREES TO ASSUME ALL OF THE TRANSFEROR'S**  
6 **OBLIGATIONS UNDER THE PROGRAM.**

7           **(C) A PURCHASER CLAIMING A CREDIT AGAINST INSURANCE PREMIUM TAX**  
8 **LIABILITY OR CORPORATE INCOME TAX LIABILITY EARNED UNDER THE PROGRAM**  
9 **IS NOT REQUIRED TO PAY ANY ADDITIONAL TAX AS A RESULT OF CLAIMING THE**  
10 **CREDIT.**

11           **(D) A PURCHASER THAT IS AN INSURANCE COMPANY OR A HOLDING**  
12 **COMPANY IS NOT REQUIRED TO REDUCE THE AMOUNT OF PREMIUM TAX INCLUDED**  
13 **BY THE PURCHASER IN CONNECTION WITH RATE-MAKING FOR ANY INSURANCE**  
14 **CONTRACT WRITTEN IN THE STATE BECAUSE OF A REDUCTION IN THE PURCHASER'S**  
15 **INSURANCE PREMIUM TAX DERIVED FROM THE CREDIT GRANTED UNDER THIS**  
16 **SUBTITLE.**

17 **5-1513.**

18           **(A) A PURCHASER OR AFFILIATE MAY NOT DIRECTLY OR INDIRECTLY:**

19                   **(1) MANAGE AN ELIGIBLE SCHOOL;**

20                   **(2) BENEFICIALLY OWN, THROUGH RIGHTS, OPTIONS, CONVERTIBLE**  
21 **INTERESTS, OR OTHERWISE, MORE THAN 15% OF THE VOTING SECURITIES OR**  
22 **OTHER VOTING OWNERSHIP INTEREST OF AN ELIGIBLE SCHOOL; OR**

23                   **(3) CONTROL THE DIRECTION OF ALLOCATIONS TO AN ELIGIBLE**  
24 **SCHOOL OR ELIGIBLE STUDENT.**

25           **(B) THE PROHIBITION IN SUBSECTION (A) OF THIS SECTION APPLIES**  
26 **WHETHER OR NOT THE PURCHASER OR AFFILIATE IS AUTHORIZED TO DO BUSINESS**  
27 **IN THE STATE.**

28 **5-1514.**

29           **(A) THE GOVERNOR SHALL APPROPRIATE OR TRANSFER BY BUDGET**  
30 **AMENDMENT \$5,000,000 FROM THE CIGARETTE RESTITUTION FUND TO THE**  
31 **BOOST FUND IN FISCAL YEAR 2017 TO PROVIDE FUNDING TO COVER THE**

1 ADMINISTRATIVE COSTS OF THE PROGRAM UNTIL DESIGNATED CONTRIBUTIONS  
2 ARE MADE TO THE BOOST FUND.

3 (B) BY SEPTEMBER 1, 2017, \$5,000,000 SHALL BE TRANSFERRED FROM  
4 THE BOOST FUND INTO THE CIGARETTE RESTITUTION FUND.

5 (C) A BUDGET AMENDMENT MAY BE USED TO MAKE THE TRANSFERS  
6 REQUIRED UNDER SUBSECTIONS (A) AND (B) OF THIS SECTION.

7 Article – Insurance

8 6–123.

9 AN INSURER MAY CLAIM A TAX CREDIT FOR AN INVESTMENT OF DESIGNATED  
10 CAPITAL AS PROVIDED UNDER TITLE 5, SUBTITLE 15 OF THE ECONOMIC  
11 DEVELOPMENT ARTICLE.

12 Article – State Finance and Procurement

13 6–226.

14 (a) (2) (i) Notwithstanding any other provision of law, and unless  
15 inconsistent with a federal law, grant agreement, or other federal requirement or with the  
16 terms of a gift or settlement agreement, net interest on all State money allocated by the  
17 State Treasurer under this section to special funds or accounts, and otherwise entitled to  
18 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General  
19 Fund of the State.

20 (ii) The provisions of subparagraph (i) of this paragraph do not apply  
21 to the following funds:

22 84. the Economic Development Marketing Fund; [and]

23 85. the Military Personnel and Veteran–Owned Small  
24 Business No–Interest Loan Fund; AND

25 86. THE BOOST FUND.

26 Article – Tax – General

27 10–737.

28 (A) A CORPORATION MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX  
29 AS PROVIDED UNDER TITLE 5, SUBTITLE 15 OF THE ECONOMIC DEVELOPMENT  
30 ARTICLE.



1           **(B) AN ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C) OF THE**  
2 **INTERNAL REVENUE CODE MAY APPLY THE CREDIT UNDER TITLE 5, SUBTITLE 15**  
3 **OF THE ECONOMIC DEVELOPMENT ARTICLE AS A CREDIT AGAINST STATE INCOME**  
4 **TAX DUE ON UNRELATED BUSINESS TAXABLE INCOME AS PROVIDED UNDER §§**  
5 **10-304 AND 10-812 OF THIS TITLE.**

6           SECTION 2. AND BE IT FURTHER ENACTED, That, it is the intent of the General  
7 Assembly that local school systems that have a decline in enrollment as a result of this Act  
8 shall be eligible for a grant to mitigate a loss of State aid as calculated under Title 5,  
9 Subtitle 2 of the Education Article.

10           SECTION 3. AND BE IT FURTHER ENACTED, That, on or before November 1,  
11 2020, the BOOST Authority and the Department of Economic Competitiveness and  
12 Commerce shall report to the Governor and the General Assembly, in accordance with §  
13 2-1246 of the State Government Article, on the implementation and results of the BOOST  
14 Program established under this Act.

15           SECTION 4. AND BE IT FURTHER ENACTED, That the termination of this Act  
16 under Section 5 of this Act may not be construed to prevent the filing, after the date of the  
17 termination, of a tax return that is filed to claim or carry forward a credit earned before the  
18 date of the termination in accordance with the provisions of law governing the credit as in  
19 effect immediately before the date of the termination of the credit.

20           SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
21 1, 2016. It shall remain effective for a period of 5 years and, at the end of June 30, 2021,  
22 with no further action required by the General Assembly, this Act shall be abrogated and  
23 of no further force and effect.