Article - Economic Development

§1–101. IN EFFECT

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

(b) "County" means a county of the State or Baltimore City.

(c) "Department" means the Department of Economic Competitiveness and Commerce.

(d) "Person" means an individual, receiver, trustee, guardian, personal representative, fiduciary, representative of any kind, partnership, firm, association, corporation, or other entity.

(e) (1) "Qualified distressed county" means a county with:

(i) an average rate of unemployment for the most recent 24–month period for which data are available that exceeds:

1. 150% of the average rate of unemployment for the State during that period; or

2. the average rate of unemployment for the State during that period by at least 2 percentage points; or

(ii) an average per capita personal income for the most recent 24–month period for which data are available that is equal to or less than 67% of the average per capita personal income for the State during that period.

(2) "Qualified distressed county" includes a county that:

(i) no longer meets either criterion stated in paragraph (1) of this subsection; but

(ii) has met at least one of the criteria at some time during the preceding 24–month period.

(f) "Secretary" means the Secretary of Commerce.

(g) (1) Except as provided in paragraph (2) of this subsection, "state" means:

(i) a state, possession, territory, or commonwealth of the United States; or

(ii) the District of Columbia.

(2) When capitalized, "State" means Maryland.

1–101. // EFFECTIVE JUNE 30, 2016 PER CHAPTER 715 OF 2012 //

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

(b) "County" means a county of the State or Baltimore City.

(c) "Department" means the Department of Economic Competitiveness and Commerce.

(d) "Person" means an individual, receiver, trustee, guardian, personal representative, fiduciary, representative of any kind, partnership, firm, association, corporation, or other entity.

(e) (1) "Qualified distressed county" means a county with:

(i) an average rate of unemployment for the most recent 24–month period for which data are available that exceeds 150% of the average rate of unemployment for the State during that period; or

(ii) an average per capita personal income for the most recent 24–month period for which data are available that is equal to or less than 67% of the average per capita personal income for the State during that period.

(2) "Qualified distressed county" includes a county that:

(i) no longer meets either criterion stated in paragraph (1) of this subsection; but

(ii) has met at least one of the criteria at some time during the preceding 24–month period.

(f) "Secretary" means the Secretary of Commerce.

(g) (1) Except as provided in paragraph (2) of this subsection, "state" means:

(i) a state, possession, territory, or commonwealth of the United States; or

(ii) the District of Columbia.

(2) When capitalized, "State" means Maryland.

§2–101.

(a) There is an Office of the Secretary of Commerce in the Office of the Governor.

(b) The head of the Office is the Secretary.

(c) (1) The Secretary is the head of economic development policy and implementation efforts in the State.

(2) The Secretary is the head of and is responsible for the operations of the Department of Economic Competitiveness and Commerce established under Title 2.5 of this article.

(d) (1) The Secretary also monitors the operations of:

(i) the Maryland Economic Development Corporation established under Title 10, Subtitle 1 of this article;

(ii) the Maryland Technology Development Corporation established under Title 10, Subtitle 4 of this article; and

(iii) the Maryland Public–Private Partnership Marketing Corporation established under Title 10, Subtitle 9 of this article.

(2) Nothing in this subsection may be construed to limit the independence or operations of these corporations.

§2–102.

(a) The Governor shall appoint the Secretary of Commerce with the advice and consent of the Senate.

(b) Before taking office, the appointee shall take the oath required by Article I, § 9 of the Maryland Constitution.

(c) (1) The Secretary serves at the pleasure of the Governor and is responsible directly to the Governor.

(2) The Secretary shall advise the Governor on all matters assigned to the units under the jurisdiction of the Secretary and is responsible for carrying out the Governor's policies on matters assigned to the units under the jurisdiction of the Secretary.

(d) The Secretary is entitled to the compensation provided in the State budget.

§2–103.

(a) The Secretary shall:

(1) consult with and advise secretaries of other principal departments on coordination of the activities of the departments that relate to economic development policy and implementation efforts in the State;

(2) establish guidelines and procedures to promote the orderly and efficient administration of the Department; and

(3) monitor the activities of and coordinate policy for:

(i) the Maryland Economic Development Corporation;

(ii) the Maryland Technology Development Corporation; and

(iii) the Maryland Public–Private Partnership Marketing Corporation.

(b) The Secretary may establish, reorganize, or abolish areas of responsibility in the office of the Secretary as necessary to fulfill effectively the duties assigned to the Secretary.

§2–104.

The Secretary shall have a seal.

§2–105.

(a) With the approval of the Governor, the Secretary shall appoint a deputy secretary.

(b) The deputy secretary:

(1) serves at the pleasure of the Secretary; and

(2) is entitled to the compensation provided in the State budget.

(c) The deputy secretary shall have the duties provided by law or delegated by the Secretary.

§2–106.

(a) In accordance with the State budget, the Secretary may employ a staff and retain professional consultants in the office of the Secretary.

(b) The Secretary may designate a staff assistant to be in charge of a particular area of responsibility in the office of the Secretary.

(c) (1) Each staff assistant in the office of the Secretary in charge of a particular area of responsibility and each professional consultant is appointed by and serves at the pleasure of the Secretary.

(2) Unless otherwise provided by law, the Secretary shall appoint and remove all other employees in the office of the Secretary in accordance with the provisions of the State Personnel and Pensions Article that govern skilled service or professional service employees with the exception of special appointments.

§2–107.

(a) The appointment or removal of personnel by a unit under the jurisdiction of

the Department is subject to the approval of the Secretary.

(b) The Secretary may delegate the approval authority under subsection (a) of this section to the head or governing body of the unit.

§2–108.

(a) The Secretary shall adopt regulations for the Office of the Secretary.

(b) (1) Subject to § 2.5–206 of this article, the Secretary shall review regulations of a unit under the jurisdiction of the Department.

(2) The Secretary may approve, disapprove, or revise regulations of a unit.

§2–109.

The Secretary is responsible for the budget of the office of the Secretary and for the budget of each unit under the jurisdiction of the Department.

§2–110.

(a) The Secretary is responsible for the coordination and direction of all planning activities that the office of the Secretary initiates.

(b) The Secretary shall keep fully apprised of and may approve, disapprove, or modify the plans, proposals, and projects of units under the jurisdiction of the Department.

§2–111.

The Secretary may not remove an appointee to a particular office in the Department without first obtaining the Governor's approval if the law provides that:

(1) the Secretary is required to make the appointment with the consent of the Governor; and

(2) the appointee:

(i) serves at the pleasure of the Secretary; or

(ii) may be removed by the Secretary with or without cause.

§2–112.

The Secretary may call a meeting of any unit under the jurisdiction of the Secretary to consider any subject.

§2–113.

(a) This section does not apply to a power, duty, responsibility, or function that is granted to the Maryland Economic Development Commission under Subtitle 2 of this title.

(b) The Secretary may exercise any power, duty, responsibility, or function of any unit under the jurisdiction of the Department.

§2–114.

Except as otherwise provided by law, each unit under the jurisdiction of the Secretary shall report to the Secretary or to the Secretary's designee as provided in the regulations or written directives of the Secretary.

§2–115.

(a) In accordance with the State budget, the Secretary may set the compensation of a Department employee in a position that:

(1) is unique to the Department;

(2) requires specific skills or experience to perform the duties of the position; and

(3) does not require the employee to perform functions that are comparable to functions performed in other units of the Executive Branch of State government.

(b) The Secretary of Budget and Management shall determine:

(1) position categories for special appointments in the Department; and

(2) in consultation with the Secretary, the positions for which the Secretary may set compensation under subsection (a) of this section.

§2–116.

(a) This section does not apply to a unit under the jurisdiction of the Department to the extent that the unit is authorized by law to employ its own legal counsel.

(b) The Attorney General is the legal adviser to the Department.

(c) The Attorney General shall assign to the Department the number of assistant Attorneys General that are authorized by law for the Department and its units.

(d) (1) The Attorney General shall designate one of the assistant Attorneys General assigned to the Department as counsel to the Department and may not

reassign that individual without consulting with the Secretary.

(2) The counsel may only:

(i) advise the Secretary, the Maryland Economic Development Commission, and any other official of the Department as they require;

(ii) supervise the other assistant Attorneys General assigned to the Department; and

(iii) perform for the Department the other duties that the Attorney General assigns.

(3) The other assistant Attorneys General shall perform for the Department the other duties that the Attorney General assigns.

§2.5–101.

(a) There is a Department of Economic Competitiveness and Commerce.

(b) The Department is a principal department of State government.

§2.5–102.

The Secretary:

(1) is the head of the Department; and

(2) is responsible for the operations of the Department.

§2.5–103.

(a) (1) The Secretary shall employ an Executive Director.

(2) The Executive Director:

(i) serves at the pleasure of the Secretary; and

(ii) is entitled to compensation provided in the State budget.

(b) (1) The Executive Director shall manage the operations of the Department on behalf of the Secretary.

(2) The Executive Director:

(i) shall advise the Secretary on all matters assigned to the Department; and

(ii) is responsible for carrying out the Secretary's policies on matters

assigned to the Department.

(c) The Executive Director shall have experience with and possess qualifications relevant to the activities and purposes of the Department.

§2.5–104.

(a) Except as otherwise provided by law, the Secretary:

(1) shall determine the organizational structure of the Department; and

(2) may create or abolish units in the Department.

(b) (1) The Governor or the Secretary may establish advisory or decision–making units for the Department.

(2) The units shall advise and assist the Secretary on the policies, programs, and activities of the Department.

(3) The Governor or the Secretary shall determine the size, qualifications, method of appointment, terms, compensation, manner of removal, and method of filling vacancies of the units.

(c) (1) The Secretary shall establish regional offices in the local jurisdictions.

(2) The regional offices shall:

(i) advise the Secretary on whether the economic needs of each local jurisdiction are being addressed; and

(ii) coordinate with municipal and local economic development agencies.

§2.5–105.

To attract and encourage business development and serve the needs of business, the Department shall:

(1) advance the economic welfare of the public through programs and activities that develop in a proper manner the natural resources and economic opportunities of the State;

(2) promote and encourage the location and creation of new industries and businesses in the State and encourage the retention and expansion of existing industries;

(3) support the creation of new businesses and the growth of existing businesses in the State by improving their quality, productivity, and competitive position in the global marketplace;

(4) assist the growth and revitalization of small businesses;

(5) support the growth of the State and regional economies by providing consulting, technical assistance, and liaison activities on business and economic development issues;

(6) promote the development of international trade activities;

(7) assist businesses and employees through training and other employment services;

(8) promote regulatory reform and coordinate efforts with other State and local units; and

(9) foster and develop employment opportunities for residents of the State.

§2.5–106.

The Department shall:

(1) investigate and assemble information about the economic development, industrial opportunities, and economic resources of the State, including raw materials, power and water resources, transportation facilities, markets, labor, banking and financing facilities, industrial sites, and other fields of research;

(2) encourage location and development of new businesses in the State and the retention and expansion of present enterprises in coordination with local governments and local economic development units;

(3) encourage formation of local and sectional development committees and cooperate with local civic groups and other local, State, and federal development units;

(4) disseminate information in the interest of industrial development in the State, by publication, advertising, and other means;

(5) assist businesses in the areas of technology development and commercialization, small business development, workforce development and productivity, manufacturing modernization, and defense conversion;

(6) serve as an ombudsman for businesses affected by State policies and programs;

(7) coordinate business assistance service delivery to individual companies;

(8) link groups of businesses to address regional and industry specific needs;

(9) broker information exchange and entrepreneurial services that enhance economic development through partnerships with businesses, not–for–profit organizations, professional groups, local economic development entities, and local governments;

(10) assist in developing and conducting regional strategic planning and coordinating State investments with regional economic development entities;

(11) collect and assemble information and data available from other State units or instrumentalities;

(12) monitor economic conditions, release reports, and maintain interindustry models of State regulations and local economies;

(13) use community colleges in the State to help deliver services;

(14) administer the programs in the Department;

(15) coordinate its efforts and activities with the Apprenticeship and Training Council and Apprenticeship and Training Program in the Department of Labor, Licensing, and Regulation;

(16) establish and monitor performance measures to determine the success of outreach efforts to businesses;

(17) facilitate regular meetings among its regional experts, financial incentive team, and tourism development team to determine the success in meeting overall economic development strategic goals and in addressing the economic development needs of each region; and

(18) work with community colleges to enhance the role of community colleges in providing workforce training services, including industry–specific education and training in response to the needs of the State.

§2.5–107.

(a) The Department shall support industry–led regional technology councils that help private enterprises attempting to establish or expand manufacturing and technology–based businesses.

(b) The Department may:

(1) select an entity as the regional technology council for a particular region; and

(2) determine the geographic areas that constitute a region for purposes of this section.

(c) The Department may support a regional technology council through grants, loans, in–kind assistance, advice, or other assistance.

§2.5–108.

(a) To the extent practicable, the Department shall use pertinent data obtained from units or instrumentalities of the State when collecting and assembling information.

(b) Except to the extent that disclosure is prohibited by law, the Department has access to all records, data, information, and statistics of other units or instrumentalities of the State.

§2.5–109.

(a) In this section, "economic development program" means:

(1) the Economic Development Opportunities Program Account established under § 7–314 of the State Finance and Procurement Article;

(2) the Partnership for Workforce Quality Program established under Title 3, Subtitle 4 of this article;

(3) each of the economic development and financial assistance programs established under Title 5 of this article; and

(4) each of the tax credit programs administered by the Department, including:

(i) the Film Production Activity Tax Credit;

(ii) the Job Creation Tax Credit;

(iii) the One Maryland Economic Development Tax Credit;

(iv) the Biotechnology Investment Incentive Tax Credit;

(v) the Research and Development Tax Credit;

(vi) the Security Clearance Administrative Expenses and Construction and Equipment Costs Tax Credit; and

(vii) the Cybersecurity Investment Incentive Tax Credit.

(b) The Department shall compile data in accordance with this section on the economic development programs administered by the Department.

(c) On or before December 31, 2013, and each year thereafter, the Department shall submit a report on the economic development programs that were administered

by the Department during the previous fiscal year to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly.

(d) (1) The report required under this section shall include the following data, if applicable, on the economic development programs administered by the Department:

(i) the number of jobs created;

(ii) the number of jobs retained;

(iii) the estimated amount of State revenue generated;

(iv) the status of any special fund; and

(v) any additional information required by the Department through regulations.

(2) The report required under this section shall include data in the aggregate and disaggregated by:

(i) each economic development program; and

(ii) each recipient of assistance from an economic development program.

(3) The report required under this section shall include any additional information required under the law authorizing the economic development program.

(e) If a recipient of assistance from an economic development program is not meeting the requirements of the economic development program, the Department shall implement a process to assist the recipient in meeting the program requirements.

§2.5–201.

In this subtitle, "Commission" means the Maryland Economic Development Commission.

§2.5–202.

(a) There is a Maryland Economic Development Commission staffed by the Department.

(b) The purpose of the Commission is to:

(1) establish economic development policy in the State;

(2) advise the Secretary on economic development policy in the State;

(3) oversee the operations of the Department and its units, including the

Department's efforts to support the creation of, attract, and retain businesses and jobs; and

(4) monitor the operations of the Maryland Technology Development Corporation, the Maryland Economic Development Corporation, and the Maryland Public–Private Partnership Marketing Corporation, including the efforts of those entities to support the creation, attraction, and retention of businesses and jobs.

§2.5–203.

(a) (1) (i) The Commission consists of:

1. not more than 21 voting members appointed by the Governor with the advice and consent of the Senate;

2. two voting members appointed by the President of the Senate of Maryland;

3. two voting members appointed by the Speaker of the House of Delegates;

4. A. one member of the Senate of Maryland, designated by the President of the Senate; and

B. one member of the House of Delegates, designated by the Speaker of the House; and

5. the following representatives of State units and instrumentalities of the State:

A. the Executive Director of the Maryland Economic Development Corporation, or the Executive Director's designee;

B. the Executive Director of the Maryland Technology Development Corporation, or the Executive Director's designee;

C. the Secretary or the Secretary's designee; and

D. the Secretary of Labor, Licensing, and Regulation, or the Secretary's designee.

(ii) The Secretary and the Secretary of Labor, Licensing, and Regulation or their designees, State unit or instrumentality representatives, and members of the General Assembly are nonvoting ex officio members of the Commission.

(iii) A designee under subparagraph (i)5 of this paragraph may be an administrator or a senior official of the unit or instrumentality.

(2) The geographic representation of the Commission shall cover the

entire State and shall include at least one representative from:

(i) the upper Eastern Shore;

(ii) the lower Eastern Shore;

(iii) Calvert County, Charles County, or St. Mary's County;

(iv) Allegany County or Garrett County; and

(v) Carroll County, Frederick County, or Washington County.

(3) When appointing Commission members, the Governor shall consider geographic and industry representation.

(4) The members appointed shall reflect the racial and gender diversity of the population of the State.

(b) The appointed members of the Commission shall have substantial interest or experience in business or knowledge of business and economic development.

(c) The Commission and its members are subject to the Maryland Public Ethics Law.

(d) (1) The term of an appointed member is 3 years.

(2) At the end of a term, an appointed member continues to serve until a successor is appointed and qualifies.

(3) A member appointed after a term has begun serves only for the remainder of the term and until a successor is appointed and qualifies.

(4) The terms of the appointed members are staggered as required by the terms provided for members of the Commission on October 1, 2008.

(5) A member may be removed by the Governor with or without cause.

§2.5–204.

(a) The Governor shall designate a chair or co–chairs from the voting members of the Commission.

(b) The Commission may elect an executive committee or form special subcommittees from its members to exercise the powers and functions of the Commission between meetings of the Commission.

§2.5–205.

(a) (1) The Commission shall meet as often as its duties require, but not less

than quarterly.

(2) The chair or co–chairs shall designate a time and place for meetings of the Commission.

(b) A majority of the voting members of the Commission is a quorum.

(c) A voting member of the Commission:

(1) may not receive compensation as a member of the Commission; but

(2) is entitled to reimbursement in accordance with the Standard State Travel Regulations as provided in the State budget.

(d) The Department shall provide staff support to the Commission.

§2.5–206.

(a) The Commission may:

(1) adopt bylaws for the conduct of its business;

(2) hire consultants; and

(3) do anything necessary or convenient to carry out its powers and the purposes of this subtitle.

(b) The Commission shall:

(1) develop and update an economic development strategic plan for the State;

(2) seek ideas and advice from each region of the State to develop the economic development strategic plan;

(3) incorporate into the economic development strategic plan the Maryland Port Administration strategic plan developed for the Helen Delich Bentley Port of Baltimore;

(4) recommend to the Governor and the Secretary the program and spending priorities needed to implement the economic development strategic plan;

(5) review the allocation of financing incentives;

(6) participate in encouraging new businesses to locate in the State;

(7) seek contributions from the private sector to supplement economic development programs and financial incentives to business;

(8) conduct periodic reviews of the economic development activities of the Department, the Maryland Economic Development Corporation, the Maryland Technology Development Corporation, and the Maryland Public–Private Partnership Marketing Corporation for compliance with the economic development strategic plan;

(9) make recommendations to the Governor and the Secretary to improve economic development activities that fail to achieve economic development strategic goals or are inconsistent with priorities under the economic development strategic plan; and

(10) carry out other economic development activities that the Governor or the Secretary requests.

(c) The Commission may spend money raised under subsection (b) of this section only in accordance with the State budget.

(d) Departmental regulations that pertain to financing programs shall be approved by the Commission before adoption.

(e) The Department may not submit a budget request before the Commission reviews the request.

§2.5–207.

(a) On or before January 15 of each year, the Commission shall report to the General Assembly, in accordance with § 2–1246 of the State Government Article, on its activities during the previous year.

(b) The report shall include a review of initiatives taken by the Commission and the Department to implement the economic development strategic plan.

§3–101.

In this subtitle, "Commission" means the Maryland Advisory Commission on Manufacturing Competitiveness.

§3–102.

To support manufacturing in Maryland, it is the policy of the State to follow these seven principles:

(1) the State must make a long-term institutional commitment to improving the competitiveness of existing and emerging manufacturers;

(2) the State's support for manufacturing must be industry-driven, with governmental and educational efforts focused on priorities set by businesses;

(3) to have a noticeable impact on the State and regional economies, the

State's efforts to support manufacturing must be organized in ways that address the level of need;

(4) the State's support of manufacturing must be held accountable to measurable outcomes that result from the State's business assistance activities;

(5) to be competitive, all manufacturers must deploy the latest advances in technology;

(6) to develop a competitive manufacturing base, the State should target its limited resources to those key manufacturing industries that have a strong presence or healthy growth prospects; and

(7) the State's business assistance services for existing and emerging manufacturers must be:

(i) comprehensive, ranging across marketing, technology, financing, job training, and other needs of manufacturing; and

(ii) readily available across all regions of the State.

§3–103.

There is a Maryland Advisory Commission on Manufacturing Competitiveness in the Department.

§3–104.

(a) (1) The Commission consists of:

(i) two members appointed by the President of the Senate of Maryland;

(ii) two members appointed by the Speaker of the House of Delegates;

(iii) the Secretary or the designee of the Secretary;

(iv) four other ex officio members representing units of State government:

1. the Secretary of the Environment or the designee of the Secretary of the Environment;

2. the Secretary of Labor, Licensing, and Regulation or the designee of the Secretary of Labor, Licensing, and Regulation;

3. the State Superintendent of Schools or the Superintendent's designee; and

4. a representative of the Maryland Higher Education Commission; and

(v) the following 16 members appointed by the Secretary with the approval of the Governor:

1. one representative of an educational institution in the State;

2. two representatives of organized labor;

3. 12 representatives of manufacturing enterprises; and

4. one representative of business organizations.

(2) The members appointed under paragraph (1)(iv) and (v) of this subsection shall reflect the racial and gender diversity of the population of the State.

(3) The members appointed under paragraph (1)(v)3 of this subsection should generally reflect representation from:

(i) varied geographic regions of the State;

(ii) varied sectors of manufacturing, balancing technology-related and traditional manufacturing industries; and

(iii) the mix of manufacturing enterprises in the State, including those that employ 500 or more employees and those that employ fewer than 500 employees.

(b) (1) The term of a member appointed under subsection (a)(1)(v) of this section is 3 years and begins on July 1.

(2) The terms of the members appointed under subsection (a)(1)(v) are staggered as required by the terms provided for the members of the Commission on October 1, 2008.

(3) A member may be reappointed, but after serving two consecutive 3-year terms, a member may not be reappointed until at least 1 year after the end of the member's previous tenure.

(4) (i) A vacancy shall be filled immediately for the remainder of the unexpired portion of a term.

(ii) At the end of a term, a member continues to serve until a successor has been appointed.

(5) (i) A member appointed by the President of the Senate or the Speaker of the House serves at the pleasure of the appointing officer.

(ii) A member appointed under subsection (a)(1)(v) of this section may be removed at any time by the Secretary, with or without cause.

§3–105.

The Secretary shall designate a chair from among the private sector members of the Commission.

§3–106.

The Commission shall meet at least 4 times each year.

§3–107.

A member of the Commission who is a member of the General Assembly may not vote on a matter before the Commission that relates to the exercise of a sovereign power of the State.

§3–108.

The Commission shall advise the Secretary on the best methods to implement the policy directives of the action plan for manufacturing competitiveness in the State, including:

(1) encouraging the development of new manufacturing enterprises and the expansion and retention of existing manufacturing enterprises;

(2) encouraging and facilitating training and education of individuals for manufacturing jobs;

(3) producing a climate conducive to the growth and viability of manufacturing enterprises;

(4) supporting research necessary to evaluate, plan, and execute effective promotion of manufacturing enterprises; and

(5) encouraging, assisting, and coordinating the activities of local, regional, and national public or private organizations that promote manufacturing.

§3–109.

The Commission shall submit a report each year to the Governor and, in accordance with § 2-1246 of the State Government Article, to the General Assembly on the progress of the Commission in implementing policies to assist manufacturing in the State.

§3–201.

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

(b) "Advisory Board" means the Maryland Life Sciences Advisory Board.

(c) "Corporation" means the Maryland Technology Development Corporation.

(d) "Life sciences" includes the fields of biotechnology, pharmaceuticals, biomedical technologies, life systems technologies, food sciences, environmental sciences, and biomedical devices.

§3–202.

(a) There is a Maryland Life Sciences Advisory Board in the Department.

(b) The purpose of the Advisory Board is to recommend State and federal policies, priorities, practices, and legislation to expedite the creation of private sector jobs through the commercialization of life sciences research.

§3–203.

(a) The Advisory Board consists of the following 19 members:

(1) the Secretary or the Secretary's designee;

(2) the Executive Director of the Department, or the Executive Director's designee;

(3) the Executive Director of the Corporation, or the Executive Director's designee; and

(4) the following members appointed by the Governor:

(i) three representing federal agencies located in the State with life sciences missions;

(ii) seven with executive experience in life sciences businesses located in the State, at least four of whom represent small businesses;

(iii) four representing institutions of higher education located in the State, one of whom shall represent a community college;

(iv) one with general business marketing experience in a life sciences business located in the State; and

(v) one member of the general public.

(b) The composition of the Advisory Board shall reflect the racial and gender diversity of the population of the State.

(c) (1) Except for the Secretary or the Secretary's designee, the Executive Director of the Department or the Executive Director's designee, and the Executive

Director of the Corporation or the Executive Director's designee, the term of an Advisory Board member is 2 years.

(2) At the end of a term, a member continues to serve until a successor is appointed and qualifies.

(3) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(d) The Governor may remove a member of the Advisory Board for incompetence, misconduct, or failure to perform the duties of the position.

(e) The Governor shall select a chair from among the members of the Advisory Board.

(f) The Advisory Board may act with an affirmative vote of eight members.

(g) A member of the Advisory Board:

(1) may not receive compensation as a member of the Advisory Board; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

§3–204.

(a) The Advisory Board shall assist the Department in:

(1) developing a comprehensive State strategic plan for life sciences;

(2) promoting life sciences research, development, commercialization, and manufacturing in the State;

(3) promoting collaboration and coordination among life sciences organizations in the State;

(4) promoting collaboration and coordination among research institutions of higher education in the State;

(5) developing a strategy to coordinate State and federal resources to attract private sector investment and job creation in the life sciences;

(6) developing a strategy to support federal life sciences facilities located in the State, including support for education, transportation, housing, and capital investment needs; and

(7) making recommendations to address critical needs in the life sciences, including access to venture capital and capital construction funding.

(b) In performing its duties, the Advisory Board shall give due consideration to the business, scientific, medical, and ethical aspects of the life sciences industry.

§3–205.

(a) The Advisory Board shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, to the General Assembly on or before December 15 of each year.

(b) The report shall include any recommendations from the Advisory Board and a summary of the activities of the Advisory Board during the preceding year.

§3–301.

In this subtitle, "Office" means the Office of International Trade.

§3–302.

(a) There is an Office of International Trade in the Department.

(b) The purpose of the Office is to promote the development of international business activities and opportunities in the State.

§3–303.

(a) The Office may enter into contracts or make grants:

(1) consistent with this subtitle; and

(2) subject to the approval of the Secretary or the Secretary's designee.

(b) Procurement by the Office for services to be performed or supplies to be delivered outside the State shall be consistent with, but not subject to, Division II of the State Finance and Procurement Article.

§3–304.

With special emphasis on exports, the Office shall encourage businesses in the State to increase international trade activities by:

(1) channeling trade leads and providing a list of prescreened foreign intermediaries;

(2) providing informational and consultative services on the international trade process, including:

(i) market research and selection;

(ii) marketing techniques and risks;

(iii) foreign trade laws; and

(iv) the availability of private or public financing;

(3) developing publications to facilitate the exchange of information on products and services between businesses in the State and foreign businesses;

(4) initiating and organizing foreign trade missions to and from foreign countries and participating in trade fairs, in cooperation with local governments and the private sector;

(5) establishing an outreach program for small-sized and medium-sized businesses that have export potential to provide counseling and to use experienced private-sector exporters and other qualified persons; and

(6) assisting, as appropriate, with acquisition of export-related financing through the Maryland Industrial Development Financing Authority and federal, local, or private programs.

§3–305.

The Office shall encourage and facilitate participation by businesses in the State in barter, counter trade, and joint venture transactions, as appropriate, by:

(1) providing informational and consultative services, including the necessary components and laws involved in these transactions;

(2) facilitating the commercial relationship between Maryland businesses in the State and counterpart foreign businesses involved in these transactions; and

(3) providing, in cooperation with the private sector, a listing of potential barter and joint venture opportunities.

§3–306.

(a) The Office shall coordinate its programs with the State Department of Agriculture, the Department of the Environment, the State Department of Transportation, the University System of Maryland, other appropriate federal, State, and local units, and private organizations.

(b) In overseas offices of the State, and with other State units, the Office shall participate, as appropriate, in providing informational and marketing services to support international trade efforts of the Office.

§3–307.

(a) The Office shall encourage and facilitate regional efforts to develop local and regional international trade programs and expertise, consistent with other State

efforts, through:

(1) technical assistance; and

(2) matching grants to public or private regional entities.

(b) The Office shall encourage the location of new international industrial or commercial enterprises in the State, in cooperation with local governments and other entities.

§3–308.

The Office shall engage in any other activity reasonably necessary to achieve the purposes of this subtitle.

§3–309.

The Office shall report at least twice each year to the Maryland Economic Development Commission on the status of the State's international activities.

§3–401.

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

(b) "Board" means the Partnership for Workforce Quality Advisory Board.

(c) "Fund" means the Partnership for Workforce Quality Fund.

(d) "Program" means the Partnership for Workforce Quality Program.

§3–402.

There is a Partnership for Workforce Quality Program in the Department.

§3–403.

The purpose of the Program is to provide training services to:

(1) improve the competitiveness and productivity of the State's workforce and business community;

(2) upgrade employee skills for new technologies or production processes; and

(3) assist employers located in the State in promoting employment stability.

§3–404.

(a) The Secretary or the Secretary's designee shall direct the Program.

(b) The Secretary may not provide training assistance under the Program except at the specific request of an employer or group of employers.

(c) To identify employers that need assistance, the Secretary shall use local advisory groups, including private industry councils and joint apprenticeship committees.

(d) Subject to §§ 3-405 and 3-412(c) and (d)(1) of this subtitle, the Secretary shall establish eligibility criteria and priorities for assistance under the Program.

(e) (1) In accordance with § 2.5–109 of this article, the Secretary shall submit a report on the operation and performance of the Program.

(2) In addition to the requirements under § 2.5–109(c) of this article, the report required under this subsection shall be submitted to:

(i) the Governor's Workforce Investment Board; and

(ii) the Maryland Economic Development Commission.

§3–405.

(a) (1) An employer receiving assistance under the Program shall be located in the State.

(2) In order to receive assistance under the Program, an employer shall request training assistance in job-specific skills to upgrade or retain existing Maryland-based employees covered under Title 8 of the Labor and Employment Article.

(b) The Secretary shall give priority to employers that are:

(1) manufacturers; or

(2) threatened by the pressure of increased foreign or domestic competition.

§3–406.

The Program shall provide business assistance services that:

(1) determine whether the employer's specific needs are best met by training, other types of assistance, or a combination of services;

(2) identify the availability of existing training programs that may be

adapted to meet the employer's needs;

(3) identify the resources the employer may provide to support the training, including:

(i) equipment;

(ii) facilities; and

(iii) materials;

(4) identify or develop appropriate curricula; and

(5) determine the most cost-effective approach to meeting training needs.

§3–407.

(a) The Secretary may award a grant for job-specific training assistance to an eligible:

(1) business;

(2) community college;

(3) private career school;

(4) State-accredited training agency;

(5) trade association; or

(6) union-sponsored training program.

(b) Training shall be approved by the employer of those being trained.

(c) Under the Program, job-specific training may not exceed 1 year.

§3–408.

(a) There is a Partnership for Workforce Quality Advisory Board in the Department.

(b) The Board shall advise the Secretary.

§3–409.

(a) The Board consists of the following 15 members:

(1) one member of the Senate of Maryland appointed by the President of the Senate;

(2) one member of the House of Delegates appointed by the Speaker of the House; and

(3) the following members appointed by the Governor with the advice of the Secretary and the chair of the Governor's Workforce Investment Board:

(i) five representatives of business, of which three shall represent employers with fewer than 100 employees;

(ii) three representatives of organized labor;

(iii) one representative from the Maryland Higher Education Commission;

(iv) one representative from the State Department of Education;

(v) one representative from the Governor's Workforce Investment Board; and

(vi) two representatives of the general public.

(b) (1) The term of a member appointed under subsection (a)(3) of this section is 3 years.

(2) The terms of the members appointed under subsection (a)(3) of this section are staggered as required by the terms provided for members of the Board on October 1, 2008.

(3) At the end of a term, a member continues to serve until a successor is appointed and qualifies.

(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(c) A member of the Board:

(1) may not receive compensation as a member of the Board; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations.

(d) The Governor shall designate the chair of the Board.

§3–410.

(a) The Board shall:

(1) submit recommendations to the Secretary concerning overall policy for the Program;

(2) recommend a system to evaluate requests for assistance under the Program, including eligibility criteria and priorities for assistance;

(3) develop criteria to assess and evaluate Program performance and advise the Secretary of the criteria;

(4) consult regularly with the Governor's Workforce Investment Board and the Maryland Economic Development Commission concerning the activities of the Program;

(5) submit a quarterly report on the Program to the Governor's Workforce Investment Board; and

(6) advise the Secretary on coordination of cooperative activities at the State and local level between the Department, employers, labor, and other public and private entities involved with workforce quality.

(b) In recommending a system for evaluating requests for assistance, the Board shall consider the equal distribution of assistance to all subdivisions of the State.

§3–411.

(a) There is a Partnership for Workforce Quality Fund in the Department.

(b) The Secretary shall manage and supervise the Fund.

(c) (1) The Fund is a special, nonlapsing fund that is not subject to reversion under § 7-302 of the State Finance and Procurement Article.

(2) The Treasurer shall hold the Fund separately and the Comptroller shall account for the Fund.

(d) The Fund consists of:

(1) money appropriated by the State to the Fund;

(2) money made available to the Fund through federal programs;

(3) private contributions to the Fund;

(4) an application or other fee paid to the Program in connection with processing a request for financial assistance; and

(5) any other money made available to the Fund.

(e) The Department may use money in the Fund for:

(1) grants to defray the cost of workforce training; and

(2) administrative, actuarial, legal, and technical services for the Program.

(f) Any investment earnings shall be credited to the Fund.

§3–412.

(a) The Program may provide business assistance services under § 3-406 of this subtitle at no cost to the employer.

(b) Program money may be used for costs associated with the direct delivery of instruction, including:

(1) curriculum development;

(2) course materials; and

(3) instructors' salaries and expenses for training.

(c) (1) At least 60% of the money available to the Program shall be reserved for employers with 150 or fewer employees based in the State.

(2) Up to 20% of the money available to the Program may be provided to an employer with more than 500 employees based in the State, if the employer:

(i) is primarily engaged in manufacturing or in a technology-based business;

(ii) agrees to increase purchases of goods produced in the State and services from suppliers based in the State; and

(iii) agrees to provide the workforce training to the number of employees based in the State, as determined by the Program, of smaller employers located in the State that supply goods or services to the employer receiving the money.

(d) (1) An employer may not receive more than $200,000 a year from the Program.

(2) The Program may not contribute more than 50% of direct training costs for job-specific training assistance.

(3) Program money may not be used for:

(i) capital equipment for an employer; or

(ii) trainee wages.

§3–501.

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

(b) "Advisory Council" means the Advisory Council on the Impact of Regulations on Small Businesses.

(c) "AELR Committee" means the Joint Committee on Administrative, Executive, and Legislative Review.

(d) "Regulation" has the meaning stated in § 10–101 of the State Government Article.

(e) "Significant small business impact" has the meaning stated in § 10–101 of the State Government Article.

(f) "Small business" has the meaning stated in § 2–1505.2 of the State Government Article.

(g) "Unit" has the meaning stated in § 10–101 of the State Government Article.

§3–502.

(a) There is an Advisory Council on the Impact of Regulations on Small Businesses in the Department.

(b) The purpose of the Advisory Council is to review proposed regulations to determine whether a regulation poses a significant impact on small businesses in Maryland.

§3–503.

(a) The Advisory Council consists of:

(1) the Secretary or a designee of the Secretary;

(2) one member of the Senate of Maryland, appointed by the President of the Senate;

(3) one member of the House of Delegates, appointed by the Speaker of the House;

(4) the following four members, two appointed by the President of the Senate and two appointed by the Speaker of the House:

(i) two small business owners;

(ii) one minority business enterprise owner; and

(iii) one women's business enterprise owner; and

(5) one secretary of a principal department with experience in the regulatory process, or a designee of the secretary, appointed by the Governor.

(b) (1) Except for the Secretary, the term of a member is 2 years.

(2) The terms of the members appointed under subsection (a) of this section are staggered as required by the terms provided for members of the Advisory Council on October 1, 2015.

(3) At the end of a term, a member continues to serve until a successor is appointed and qualifies.

(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(c) A member of the Advisory Council:

(1) may not receive compensation as a member of the Advisory Council; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(d) The Secretary or Secretary's designee is chair of the Advisory Council.

(e) The Department shall provide staff for the Advisory Council.

§3–504.

The Advisory Council:

(1) shall meet at least once annually; and

(2) may meet as often as necessary to:

(i) review and approve the annual report required by § 3–508 of this subtitle; and

(ii) hold informational meetings related to:

1. the small business impact of a proposed or existing regulation of interest to the Advisory Council; or

2. any other matter related to the effect of a regulation or the regulatory process on small businesses in Maryland.

§3–505.

(a) The Advisory Council shall:

(1) review each proposed regulation required to be submitted to the Advisory Council under § 10–110(c) of the State Government Article;

(2) determine whether the proposed regulation poses a significant small business impact;

(3) provide an estimated range of costs for small businesses affected by the proposed regulation; and

(4) if the Advisory Council determines that a proposed regulation poses a significant small business impact, identify whether the proposed regulation is necessary to comply with federal law.

(b) If a proposed regulation establishes a standard that is more restrictive or stringent than an applicable standard established under a federal law or regulation that governs the same program or conduct, the Advisory Council shall:

(1) identify the specific manner in which the proposed regulation is more restrictive than the applicable federal standard;

(2) estimate the range of additional costs that a small business may incur from compliance with the more restrictive standard, as compared with the cost of compliance with a less stringent standard that complies with federal law;

(3) identify alternative standards that are adopted by one or more states, or other potential standards, that are less restrictive but comply with federal law; and

(4) identify the potential benefit to the public health, safety or welfare, or the environment, expected from adopting the proposed regulation with a more restrictive standard.

(c) If the Advisory Council cannot feasibly quantify a range of costs from its finding of a significant small business impact, then the Advisory Council shall describe the estimated impact of the proposed regulation or, if applicable, of the more restrictive standard as compared to a less restrictive standard that complies with federal law.

(d) (1) If the Advisory Council finds that a proposed regulation poses a significant small business impact under this section, the Advisory Council shall submit a written statement of its findings to the AELR Committee and the Department of Legislative Services within 15 days after the date that the Advisory Council receives the proposed regulation under § 10–110(c) of the State Government Article.

(2) On notice to the AELR Committee and the Department of Legislative Services, the Advisory Council shall be granted up to an additional 15 days to submit

the written statement of its findings.

§3–506.

(a) The staff of the Advisory Council shall:

(1) review the small business impact statement accompanying each regulation prepared in accordance with § 10–110(d)(3) of the State Government Article;

(2) consult with the AELR Committee and the Department of Legislative Services regarding any significant small business impacts identified under § 10–110(d)(3) of the State Government Article;

(3) review proposed regulations for comparisons with federal law under § 3–505 of this subtitle and identify any significant small business impacts;

(4) consult with and train, as necessary, staff of the promulgating units to assist the units in the preparation of the unit's small business impact statements; and

(5) as necessary, testify at hearings or meetings called by the Advisory Council or by the AELR Committee under § 10–110(e)(4)(ii) of the State Government Article.

(b) The promulgating units shall provide the assistance of subject matter experts as needed to the staff of the Advisory Council to enable the staff to carry out the activities described in subsection (a) of this section.

§3–507.

The Advisory Council may adopt guidelines to assist each promulgating unit with:

(1) considering the potential impacts of regulations on small businesses in the State; and

(2) writing small business impact statements required under § 10–110(d)(3) of the State Government Article.

§3–508.

(a) The Advisory Council shall report to the Governor and, in accordance with § 2–1246 of the State Government Article, to the General Assembly on or before December 15 of each year.

(b) The report shall include any recommendations of the Advisory Council to improve the small business impact review process or the regulatory process in a manner that may improve economic competitiveness for small businesses in the State.

§4–101.

In this subtitle, "Division" means the Division of Tourism, Film, and the Arts.

§4–102.

There is a Division of Tourism, Film, and the Arts in the Department.

§4–103.

(a) (1) With the approval of the Governor, the Secretary shall appoint a director of the Division.

(2) The director serves at the pleasure of the Secretary.

(3) Removal of the director by the Secretary is final.

(b) The director shall have demonstrated interest and experience in tourism, film, and the arts.

(c) The director shall operate the Division under the direction of the Secretary.

§4–104.

The director of the Division is entitled to the compensation provided in the State budget.

§4–105.

In accordance with the State budget, the director of the Division may employ a staff and retain professional consultants.

§4–106.

The Division shall:

(1) stimulate development of tourism business in the State;

(2) promote business and job opportunities in the State;

(3) encourage development of recreational areas and facilities;

(4) make the public aware of the State's heritage and historical development;

(5) advertise and disseminate information about the State;

(6) encourage the promotion and development of amateur and professional sports in the State;

(7) encourage the advancement of and participation in the performing, visual, and creative arts; and

(8) administer those programs assigned to the Division by law or designated by the Secretary.

§4–201.

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

(b) "Board" means the Maryland Tourism Development Board.

(c) "Fund" means the Maryland Tourism Development Board Fund.

(d) "Office" means the Office of Tourism Development.

§4–202.

It is the policy of the State to guide, stimulate, and promote the coordinated, efficient, and beneficial development of travel and tourism in the State so that the State can derive the economic, social, and cultural benefits of travel and tourism to the fullest extent possible.

§4–203.

There is a Maryland Tourism Development Board in the Department.

§4–204.

(a) The Board consists of the following 24 members:

(1) 11 members appointed by the Governor in consultation with the Secretary and with the advice and consent of the Senate;

(2) three nonvoting members appointed by the Governor who are directors or chief executive officers from among the destination marketing organizations officially recognized by the Office;

(3) five members appointed by the President of the Senate of Maryland as follows:

(i) at least two members of the Senate; and

(ii) at least two members from the private business community; and

(4) five members appointed by the Speaker of the House of Delegates as follows:

(i) at least two members of the House of Delegates; and

(ii) at least two members from the private business community.

(b) In appointing members to the Board, the Governor and, with respect to private business community members, the President of the Senate and the Speaker of the House shall:

(1) ensure that each geographic region of the State is represented equitably;

(2) give due consideration to the recommendations of representatives of the tourism industry; and

(3) provide balanced representation of the lodging, food service, transportation, retail, and amusements and attractions sectors of the tourism industry.

(c) A member of the Board who is a member of the General Assembly may not vote on a matter before the Board that relates to the exercise of the sovereign powers of the State.

(d) (1) (i) The term of a member is 3 years and begins on July 1.

(ii) The terms of members are staggered as required by the terms provided for the members on October 1, 2008.

(iii) At the end of a term, a member continues to serve only until a successor is appointed and qualifies.

(iv) A member may be reappointed, but after serving for two consecutive 3–year terms, a member may not be reappointed until at least 1 year after the end of the member's previous tenure.

(v) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(2) A member of the General Assembly appointed by the President of the Senate or the Speaker of the House serves until a successor is appointed.

(3) A member appointed by the Governor may be removed by the Governor with or without cause.

(4) A private business community member appointed by the President of the Senate or the Speaker of the House may be removed by the appointing officer with or without cause.

§4–205.

(a) Each year the Board shall elect a chair, five vice chairs, and a

secretary–treasurer from among its members.

(b) Of the five vice chairs, there shall be one representative each from the lodging, food service, transportation, retail, and amusements and attractions sectors.

§4–206.

(a) The director of the Office is the Executive Director of the Board as part of the regular duties of the director of the Office.

(b) The director may not receive additional compensation for serving as Executive Director of the Board.

§4–207.

(a) The Board shall meet at least 4 times a year, at times and places the chair determines.

(b) A member of the Board:

(1) may not receive compensation as a member of the Board; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

§4–208.

(a) The Office shall provide staff for the Board.

(b) The Board shall use the facilities, equipment, and supplies of the Office to conduct its business.

§4–209.

(a) The exercise of the powers and duties of the Board under this subtitle is subject to the approval of the Secretary.

(b) The Board may:

(1) adopt regulations to carry out this subtitle;

(2) enter into contracts and agreements;

(3) obtain services;

(4) ask any other unit of the State for assistance and data that enable the Board to carry out its powers and duties;

(5) accept federal money for any purpose of this subtitle; and

(6) accept gifts, donations, or bequests for any purpose of this subtitle.

§4–210.

The Board shall:

(1) protect, preserve, promote, and restore the natural, historical, scenic, and cultural resources in the State;

(2) generate revenue through the sale of goods and services related to tourism in accordance with § 4-215 of this subtitle; and

(3) publish and submit to the Maryland Economic Development Commission and the Secretary an annual report and other material that the Board considers appropriate.

§4–211.

The Board shall:

(1) draft and implement a 5-year strategic plan for the promotion and development of tourism in the State; and

(2) submit the strategic plan to the Maryland Economic Development Commission for its review.

§4–212.

(a) The Board shall:

(1) draft and implement an annual marketing plan consistent with the strategic plan developed under § 4-211 of this subtitle; and

(2) submit the marketing plan to the Maryland Economic Development Commission for its review.

(b) The Board shall establish an annual operating budget consistent with the marketing plan.

§4–213.

The Board shall:

(1) encourage the development of new tourism resources, products, businesses, and attractions in the State;

(2) facilitate the movement and activities of tourists to, from, and within the State through signs, information aids, and other services;

(3) improve the safety and security of tourists in the State;

(4) encourage and facilitate training and education of individuals for jobs in the tourism industry;

(5) provide a healthy environment for the development of human resources in tourism businesses;

(6) encourage residents to pursue careers in tourism businesses;

(7) produce a climate conducive to small tourism business growth and viability;

(8) review existing and proposed taxes, fees, licenses, regulations, and regulatory procedures affecting tourism and the tourism industry in the State and evaluate their impact on the ability of the tourism industry to create employment and generate income;

(9) support research necessary to evaluate, plan, and execute effective tourism programs;

(10) cooperate with other public units and private organizations to develop and promote the State's tourism and travel industries; and

(11) encourage, assist, and coordinate the tourism activities of local and regional promotional organizations.

§4–214.

The Board shall:

(1) set policies for spending money on tourism advertising, written and graphic materials, cooperative and matching promotional programs, and other tourism and travel developmental and promotional activities for the State;

(2) spend money of the Fund to plan, advertise, promote, assist, and develop the tourism and travel industries in the State; and

(3) provide grants to destination marketing organizations for the purpose of attracting visitors to the State of not less than:

(i) $2,350,000 in total for fiscal year 2011; and

(ii) $2,500,000 in total for fiscal year 2012 and for each fiscal year thereafter.

§4–215.

(a) There is a Maryland Tourism Development Board Fund in the Department.

(b) The purpose of the Fund is to finance programs relating to the planning, advertising, promotion, assistance, and development of the tourism industry in the State.

(c) The Fund is a special, nonlapsing fund that is not subject to reversion under § 7-302 of the State Finance and Procurement Article.

(d) The Fund consists of:

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

(2) money that the Board accepts under § 4-209 of this subtitle.

(e) Expenditures from the Fund may be made only by the Board in accordance with an appropriation.

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

(2) Any investment earnings of the Fund shall be credited to the General Fund of the State.

§4–216.

(a) (1) In this section the following words have the meanings indicated.

(2) "Tourism tax increment" means the amount, if any, by which the tourism tax revenues collected in the fiscal year 2 years before a particular fiscal year exceeds the tourism tax revenues collected in the fiscal year 3 years before the particular fiscal year.

(3) "Tourism tax revenues" means sales and use tax revenues collected on the retail sale of tourist–oriented goods and services, as determined by the Comptroller under subsection (c)(3) of this section.

(b) (1) For each of fiscal years 2011 and 2012, the Governor shall include in the annual budget bill a proposed General Fund appropriation to the Fund of $5,000,000.

(2) For fiscal year 2013 and each fiscal year thereafter, the Governor shall include in the annual budget bill a proposed General Fund appropriation to the Fund in an amount not less than $6,000,000 for each fiscal year.

(c) (1) On or before August 1 of each year, the Comptroller shall calculate the amount of the qualifying tourism tax increment for the current fiscal year in accordance with paragraph (2) of this subsection.

(2) The qualifying tourism tax increment is:

(i) if the tourism tax increment exceeds 3% of the tourism tax revenues collected in the fiscal year 3 years before the current fiscal year, one–half of the amount of the tourism tax increment above the 3% increase; or

(ii) if the tourism tax increment does not exceed 3%, zero.

(3) The Comptroller shall:

(i) determine the classification codes that shall be included in tourism tax revenues under this subsection after consulting with the Department; and

(ii) on request from the Department, report the amount of the qualifying tourism tax increment to the Department.

(4) The Governor shall consider whether to include the amount of the qualifying tourism tax increment in the appropriation to the Fund in the proposed State budget for the next fiscal year, in addition to the amount to be included in the budget bill under subsection (b) of this section.

(5) This subsection may not be construed to require funding in the State budget of the qualifying tourism tax increment.

(6) If the proposed State budget for a particular fiscal year includes an appropriation to the Fund under this subsection, it is the intent of the General Assembly that the total annual funding appropriated to the Fund in any fiscal year not exceed by more than $5,000,000 the sum of:

(i) the portion of the qualifying tourism tax increment that the Governor included in the proposed State budget for the fiscal year immediately preceding the particular fiscal year; and

(ii) the amount stated in subsection (b) of this section.

(d) (1) On or before December 1 of each year beginning in 2015, in cooperation with the Board and the Maryland Association of Destination Marketing Organizations, the Department shall report to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly on the effectiveness of the funding provided under subsections (b) and (c) of this section in increasing visitor attendance and visitor spending in Maryland.

(2) The report shall include information that addresses the following:

(i) the specific use of the tourism advertising funds provided by this section;

(ii) data quantifying the success of Maryland's increased tourism marketing efforts;

(iii) tourism marketing strategies used by other states in Maryland's primary market and their impact on Maryland's market share;

(iv) efforts by the Board to generate additional revenues for the Maryland Tourism Development Board Fund; and

(v) other short– and long–term strategies for tourism development that, if adopted, could improve Maryland's competitive position with its neighboring states.

§4–301.

In this subtitle, "Office" means the Maryland Film Office.

§4–302.

There is a Maryland Film Office in the Department.

§4–303.

The Office may:

(1) ask any State or local governmental unit for assistance and information to carry out this subtitle;

(2) accept a gift, bequest, or grant from a public or private source for any of the purposes of this subtitle;

(3) spend money made available in accordance with the State budget for any of the purposes of this subtitle; and

(4) do any other act necessary to carry out this subtitle.

§4–304.

(a) The Office shall implement a program to promote the production of motion pictures and television programs in the State.

(b) The Office shall:

(1) prepare and distribute promotional and informational materials that address:

(i) desirable locations in the State to produce motion pictures and television programs;

(ii) the benefits and advantages of producing motion pictures and television programs in the State; and

(iii) the services and assistance available from State government, local government, and the motion picture and television industry;

(2) assist motion picture and television companies to secure location permits and other services in connection with motion picture and television production; and

(3) facilitate cooperation from federal, State, and local governmental units and the private sector in locating and producing motion pictures and television programs.

§4–305.

The Office shall coordinate its activities with activities of similar local governmental units in the State for any of the purposes of this subtitle.

§4–501.

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

(b) "Arts" includes dance, drama, music drama, architecture, painting, sculpture, graphics, crafts, photography, design, film, television, and creative writing.

(c) "Council" means the Maryland State Arts Council.

§4–502.

(a) The General Assembly finds that:

(1) many of the residents of the State lack the opportunity to enjoy or participate in and develop a greater appreciation of the arts, including theatrical performances, concerts, opera, dance and ballet performances and recitals, art and art exhibitions, fine examples of architecture, and creative writing;

(2) with increasing leisure time, the practice and enjoyment of the arts are of increasing importance;

(3) many of the residents of the State possess artistic and creative talents that cannot be utilized fully under existing conditions;

(4) the general welfare of the residents of the State will be promoted by recognizing that the arts are a vital part of the culture and heritage of the State and are an important means to expand the scope of the State's educational program for children and adults;

(5) interest in the arts will provide employment for artists in all fields and encourage residents to participate in the arts;

(6) increased activities in the arts will increase employment in the State

by encouraging the production of artistic events in various communities of the State, thus utilizing the talents and services of many residents;

(7) the standards of performance of the arts will improve because of the encouragement of increased resident participation and a demand for higher standards for more residents; and

(8) implementing and exhibiting artistic programs, constructing performance facilities, and increasing tourism from these programs will increase employment and help the economy of the State.

(b) It is the policy of the State to:

(1) strive to create a nurturing climate for the arts in the State and join with private patrons, institutions, and professional organizations concerned with the arts;

(2) promote the role of the arts in the life of the residents of the State; and

(3) ensure that the arts play an ever more significant part in the residents' welfare and educational experience.

(c) The General Assembly intends that the activities of the State to carry out the policy set forth in subsection (b) of this section:

(1) encourage and assist artistic expression; and

(2) not limit freedom of artistic expression, which is essential for the well-being of the arts.

§4–503.

There is a Maryland State Arts Council in the Department.

§4–504.

(a) The Council consists of the following 17 members:

(1) 13 members appointed by the Governor in consultation with the Secretary and with the advice and consent of the Senate;

(2) two members appointed by the President of the Senate of Maryland, at least one of whom shall be a member of the Senate; and

(3) two members appointed by the Speaker of the House of Delegates, at least one of whom shall be a member of the House of Delegates.

(b) (1) (i) The term of a member who is not a member of the General Assembly is 3 years and begins on July 1.

(ii) A member of the General Assembly appointed to the Council serves until a successor is appointed.

(2) A member may be reappointed, but after serving for two consecutive 3-year terms, a member may not be reappointed until at least 1 year after the end of the member's previous tenure.

(3) The terms of members appointed under subsection (a)(1) of this section are staggered as required by the terms provided for members of the Council on October 1, 2008.

(4) At the end of a term, a member continues to serve until a successor has been appointed and qualifies.

(5) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(c) In appointing members, the Governor shall:

(1) consider recommendations of civic, educational, and professional organizations concerned with or engaged in the production or presentation of the arts; and

(2) provide balanced geographic representation.

§4–505.

Each year the Council shall select a chair, a vice chair, and a secretary-treasurer from its membership.

§4–506.

A member of the Council:

(1) may not receive compensation as a member of the Council; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

§4–507.

(a) The Council shall meet at least four times a year.

(b) The chair or the Secretary shall call the meetings.

§4–508.

(a) The exercise of the powers and performance of duties of the Council under this subtitle is subject to the approval of the Secretary.

(b) The Council may:

(1) adopt regulations to carry out this subtitle;

(2) enter into contracts and agreements;

(3) obtain services;

(4) ask any other unit of the State for assistance and data that enable the Council to carry out its powers and duties;

(5) accept federal money for any purpose of this subtitle;

(6) accept gifts, donations, or bequests for any purpose of this subtitle; and

(7) carry out this subtitle.

§4–509.

(a) (1) With the approval of the Secretary, the Council shall appoint an Executive Director of the Council.

(2) The Executive Director may not be a member of the Council.

(b) (1) The Executive Director serves at the pleasure of the Council, subject to the concurrence of the Secretary.

(2) The Executive Director is a special appointment in the State Personnel Management System.

(c) Subject to the policies of the Council and the administrative supervision of the Secretary, the Executive Director:

(1) is the administrative officer of the Council staff;

(2) shall appoint and remove employees of the Council; and

(3) shall direct, administer, and supervise the activities of the Council staff.

§4–510.

(a) The Council may:

(1) conduct a statewide survey of resources and needs in the arts;

(2) determine the extent to which existing resources can fill the needs;

(3) design new or expanded programs in the arts on its own or with arts

organizations;

(4) encourage and assist in the formation and activities of community arts councils;

(5) provide technical and consultative assistance to arts organizations throughout the State;

(6) provide logistical and financial assistance to encourage the touring of outstanding professional performances and exhibitions of art, from inside and outside the State, to communities throughout the State;

(7) make awards for excellence in the arts;

(8) make grants to arts organizations and individual artists;

(9) cooperate with educational institutions and organizations to establish a higher level of education in and appreciation of the arts by students throughout the State;

(10) explore the feasibility of regional arts programming in neighboring states and program exchange with other states, and implement the programs the Council considers advisable;

(11) make recommendations to the Board of Public Works concerning appropriate aesthetic decorations, embellishments, accessories, and ornamentation to State projects, buildings, and property; and

(12) conduct other programs consistent with this subtitle.

(b) The Council:

(1) shall publish an annual report; and

(2) may publish other material.

§4–511.

In exercising its powers and performing its duties under this subtitle, the Council may not interfere with:

(1) freedom of artistic expression; or

(2) established or contemplated arts programs in any community.

§4–512.

(a) The Council is entitled to funding in accordance with the State budget.

(b) The Council may treat nonstate, nonfederal contributions for programs of assistance to the arts as a special fund that is not subject to reversion under § 7-302 of the State Finance and Procurement Article.

§4–601.

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

(b) "Commission" means the Maryland Commission on Public Art.

(c) "Fund" means the Maryland Public Art Fund.

(d) "Program" means the Maryland Public Art Initiative Program.

§4–602.

(a) There is a Maryland Public Art Initiative Program.

(b) The purpose of the Program is to promote the installation of artwork in public facilities for the enrichment of the public.

(c) Program money shall be used to:

(1) acquire public art to be owned by the State;

(2) preserve public art assets, including assets of the Commission; and

(3) make grants to local governments.

§4–603.

(a) There is a Maryland Commission on Public Art.

(b) (1) The Commission consists of the following 11 members:

(i) as designated by the chair of the Council, either the Executive Director or a member of the Maryland State Arts Council established under Subtitle 5 of this title;

(ii) as designated by the chair of the Trust, either the Director or a member of the Maryland Historical Trust established under Title 5A, Subtitle 3 of the State Finance and Procurement Article;

(iii) as designated by the State Archivist, either the State Archivist or a member of the Commission on Artistic Property established under Title 9, Subtitle 10 of the State Government Article;

(iv) the Comptroller or the Comptroller's designee; and

(v) seven public members appointed by the Secretary with the approval of the Governor.

(2) (i) The Secretary shall include as public members representatives of the artistic community who have professional expertise as artists, curators, art historians, art educators, or architects.

(ii) A public member serves at the pleasure of the Secretary.

(c) With the approval of the Governor, the Secretary shall designate a chair from among the public members of the Commission.

(d) A member of the Commission:

(1) may not receive compensation as a member of the Commission; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(e) The Maryland State Arts Council shall provide staff to the Commission.

§4–604.

The Commission shall:

(1) work with the Department of General Services, the State Department of Transportation, and the University System of Maryland to ensure that new public facilities constructed by State units include the installation of artwork;

(2) allocate money from the Fund to commission artwork for installation at public facilities around the State;

(3) establish selection panels to recommend artists and artwork to be funded by the Fund; and

(4) make final recommendations concerning the disbursement of money allocated to the Program.

§4–605.

(a) There is a Maryland Public Art Fund.

(b) The purpose of the Fund is to provide money to carry out the Program.

(c) The Commission shall administer the Fund.

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

(2) The Treasurer shall hold the Fund and the Comptroller shall account for the Fund.

(e) (1) The Fund consists of:

(i) money appropriated in the State budget for the Program; and

(ii) any other money accepted for the benefit of the Fund from any other source.

(2) Any investment earnings of the Fund shall be paid into the Fund.

(f) It is the intent of the General Assembly that for each fiscal year, the Governor shall include in the operating or capital budget an appropriation not to exceed $1,000,000 for the Program.

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

(h) Money in the Fund may only be spent:

(1) to carry out the purposes of this subtitle; and

(2) in accordance with the State budget process.

§4–606.

(a) Before a grant is awarded to a local government under this subtitle, the local government shall provide and spend a matching fund.

(b) A matching fund of a local government may not consist of:

(1) money provided, directly or indirectly, from appropriated or unappropriated State money;

(2) real property;

(3) in kind contributions; or

(4) money spent before June 1, 2005.

§4–607.

(a) The Maryland State Arts Council shall adopt regulations to carry out the Program.

(b) The regulations shall address:

(1) procedures for artist and art selection;

(2) composition of selection panels;

(3) budget allocations for each project;

(4) local community involvement; and

(5) conservation and maintenance concerns.

§4–608.

(a) All artwork funded by the Program is the property of the Commission.

(b) In cooperation with the Department of General Services, the Commission is responsible for the inventory, maintenance, and preservation of all artwork acquired through the Program.

§4–701.

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

(b) "Artistic work" means an original and creative work that:

(1) is created, written, composed, or executed; and

(2) falls into one of the following categories:

(i) a book or other writing;

(ii) a play or performance of a play;

(iii) a musical composition or the performance of a musical composition;

(iv) a painting or other picture;

(v) a sculpture;

(vi) traditional or fine crafts;

(vii) the creation of a film or the acting within a film;

(viii) the creation of a dance or the performance of a dance;

(ix) the creation of original jewelry, clothing, or design; or

(x) any other product generated as a result of a work listed in items (i) through (ix) of this paragraph.

(c) "Arts and entertainment district" means a developed district of public and

private uses that:

(1) is distinguished by physical and cultural resources that play a vital role in the life and development of the community and contribute to the public through interpretive, educational, and recreational uses; and

(2) ranges in size from a portion of a political subdivision to a regional district with a special coherence.

(d) "Arts and entertainment enterprise" means a for-profit or not-for-profit entity dedicated to visual or performing arts.

(e) "Political subdivision" means a county or municipal corporation.

(f) "Qualifying residing artist" means an individual who:

(1) owns or rents residential real property in the State;

(2) conducts a business in any arts and entertainment district; and

(3) derives income from the sale or performance within any arts and entertainment district of an artistic work that the individual wrote, composed, or executed, either alone or with others, in any arts and entertainment district.

§4–702.

This subtitle does not apply to:

(1) the creation or execution of artistic work for industry–oriented or industry–related production; or

(2) tailoring services, clothing alteration, or jewelry repair.

§4–703.

(a) The following political subdivisions may apply to the Secretary to designate an arts and entertainment district:

(1) a political subdivision for an area within that political subdivision;

(2) with the prior consent of the municipal corporation, a county, on its own behalf or on behalf of a municipal corporation, for an area in the municipal corporation; or

(3) two or more political subdivisions jointly for an area astride their common boundaries.

(b) The application shall:

(1) be in the form and manner and contain the information that the Secretary requires by regulation;

(2) contain sufficient information to allow the Secretary to determine if the proposed district qualifies under §§ 4-701(c) and 4-704(a) of this subtitle; and

(3) be submitted for a political subdivision by its chief elected officer or, if none, its governing body.

§4–704.

(a) The Secretary may designate an area as an arts and entertainment district only if the area is a contiguous geographic area that is wholly within a priority funding area as provided under § 5-7B-02 of the State Finance and Procurement Article.

(b) (1) Within 60 days after a submission date, the Secretary may designate one or more arts and entertainment districts from among the areas in the applications timely submitted.

(2) A county may not receive more than one arts and entertainment district designation in a calendar year.

(c) The designation of the Secretary is final.

(d) At any time, a political subdivision may reapply to the Secretary to designate as an arts and entertainment district an area that is not so designated.

§4–705.

(a) A political subdivision may apply to the Secretary to expand an existing arts and entertainment district in the same manner as the political subdivision would apply to designate a new arts and entertainment district.

(b) (1) Notwithstanding subsection (a) of this section and § 4–704(a) of this subtitle, in Queen Anne's County, the governing body may establish an arts and entertainment district composed of noncontiguous areas in the county, including noncontiguous areas within a municipal corporation in the county, subject to the Secretary's designation of the district as an arts and entertainment district in the county.

(2) In applying for the establishment of an arts and entertainment district in accordance with paragraph (1) of this subsection, the Queen Anne's County governing body shall comply with the provisions of § 4–703 of this subtitle.

§4–706.

(a) In an arts and entertainment district:

(1) each qualifying residing artist is eligible for the income tax subtraction modification under § 10-207(v) of the Tax - General Article;

(2) the property tax credit under § 9-240 of the Tax - Property Article applies; and

(3) the exemption from the admissions and amusement tax under § 4-104 of the Tax - General Article applies.

(b) (1) On or before July 1 preceding the effective date of its establishment, the Secretary shall notify the Comptroller that an arts and entertainment district is established.

(2) The subtraction modification under § 10-207(v) of the Tax - General Article applies to each taxable year beginning after December 31 of the year in which the Secretary provides the notice required by paragraph (1) of this subsection.

§4–707.

The Secretary shall adopt regulations on application procedures and criteria to designate arts and entertainment districts.

§4–801.

(a) In this section, "Fund" means the Special Fund for Preservation of Cultural Arts in Maryland.

(b) There is a Special Fund for Preservation of Cultural Arts in Maryland.

(c) The purpose of the Fund is to provide supplemental grants to cultural arts organizations in the State that qualify for general operating support grants from the Maryland State Arts Council.

(d) The Secretary of Commerce shall administer the Fund.

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

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

(f) The Fund consists of:

(1) revenue distributed to the Fund under § 2–202(a)(1)(ii) of the Tax – General Article; and

(2) any other money from any other source accepted for the benefit of the Fund.

(g) The Fund shall be used to provide supplemental grants for operating and programmatic improvements that strengthen the organizational capacity and financial stability of cultural arts organizations in the State that qualify for general operating support grants from the Maryland State Arts Council.

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

(2) Any investment earnings of the Fund shall be credited to the General Fund of the State.

(i) For each appropriation to the Fund, the Governor may:

(1) include the funds in the State budget subject to appropriation by the General Assembly; or

(2) transfer the funds by budget amendment from the Fund to the expenditure account of the Maryland State Arts Council.

(j) Supplemental grants made from the Fund are supplemental to and may not take the place of funding that otherwise would be appropriated for qualifying organizations.

§5–101.

(a) The Department shall administer the State's economic development and growth funds to facilitate the attraction, creation, expansion, and retention of businesses and jobs in the State.

(b) The Department shall encourage local governments to develop, and assist local governments in developing, strategic plans for economic development.

§5–102.

The Department shall administer the State's economic development and financial assistance programs and funds including:

(1) the BRAC Revitalization and Incentive Zone Program, under Subtitle 13 of this title;

(2) the Enterprise Fund, under Subtitle 6 of this title;

(3) the Enterprise Zones Program, under Subtitle 7 of this title;

(4) the Maryland Economic Adjustment Fund, under Subtitle 2 of this title;

(5) the Maryland Economic Development Assistance Authority and Fund, under Subtitle 3 of this title;

(6) the Maryland Industrial Development Financing Authority, under Subtitle 4 of this title;

(7) the Maryland Small Business Development Financing Authority, under Subtitle 5 of this title;

(8) the Appalachian Regional Development Program, under Title 13, Subtitle 1 of this article;

(9) jointly with the Department of Housing and Community Development, the Community Development Block Grant for Economic Development;

(10) the Regional Institution Strategic Enterprise Zone Program under Subtitle 14 of this title; and

(11) any other programs or funds designated by statute, the Governor, or the Secretary.

§5–103.

(a) This section applies notwithstanding any other law.

(b) Subject to subsections (d) and (e) of this section, the Secretary may transfer money among any of the accounts that are:

(1) in the Department or subject to its control; and

(2) used to provide financial support of any kind.

(c) Subject to subsections (d) and (e) of this section, the Secretary may transfer money to the Economic Development Opportunities Program Account established under § 7–314 of the State Finance and Procurement Article from any of the accounts that are:

(1) in the Department or subject to its control; and

(2) used to provide financial support of any kind.

(d) A transfer under this section from the Industrial Development Fund shall comply with § 5-432 of this title.

(e) A transfer under this section shall comply with the amendment process for appropriations established by § 7-209 of the State Finance and Procurement Article.

§5–104.

(a) The Secretary may:

(1) invest in a specialized small business investment company created in

accordance with the federal Small Business Investment Act of 1958; and

(2) to the extent allowed by federal law, do anything necessary or convenient to fully participate in the formation and operation of a specialized small business investment company.

(b) Notwithstanding any other law, the Secretary may use money to finance a specialized small business investment company from accounts within:

(1) the Enterprise Fund established under Subtitle 6 of this title; and

(2) the Maryland Small Business Development Financing Authority established under Subtitle 5 of this title.

§5–105.

When deciding whether to provide financial assistance for a business project, the Department shall consider whether the project will be located:

(1) in an enterprise zone or a focus area as designated under Subtitle 7 of this title; or

(2) in a BRAC Revitalization and Incentive Zone as designated under Subtitle 13 of this title.

§5–106.

The Secretary shall designate a unit in the Department to be the single contact for issues relating to realignment and closure of military installations in the State.

§5–107.

The Department may take all reasonable actions to protect the interests of the Department in its investments, collateral, loans, grants, and other property or interests relating to financing transactions, including expending funds from its general and special funds to acquire, dispose of, operate, protect, enhance, or maintain collateral or liens.

§5–201.

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

(b) "Fund" means the Maryland Economic Adjustment Fund.

(c) (1) "Working capital" means money for current operations of a business.

(2) "Working capital" includes money for supplies, materials, labor, equipment, rent, software, marketing, insurance, and fees for professional services.

§5–202.

(a) Financial assistance from the Fund may be approved by the Secretary or the Secretary's designee.

(b) The exercise by the Department of the powers granted under this subtitle is the performance of an essential governmental function.

§5–203.

(a) There is a Maryland Economic Adjustment Fund in the Department.

(b) (1) The Department shall administer the Fund.

(2) The Secretary may:

(i) delegate to any unit in the Department the underwriting, closing, monitoring, and workout functions for Fund loans; or

(ii) contract with another entity to perform these functions.

(c) The Maryland Economic Adjustment Fund is a special, nonlapsing revolving fund that is not subject to reversion under § 7-302 of the State Finance and Procurement Article.

(d) (1) The Fund consists of:

(i) federal money allocated or granted to the Fund, including adjustment implementation grant money designated for the Fund under the Defense Conversion and Defense Economic Adjustment Program of the Economic Development Administration of the United States Department of Commerce;

(ii) private money donated or granted to the Fund;

(iii) money appropriated by the State to the Fund;

(iv) premiums, fees, interest payments, and principal payments on loans made under this subtitle, including a loan financed by the Economic Development Opportunities Program Fund under § 7-314(f) of the State Finance and Procurement Article;

(v) proceeds from the sale, disposition, lease, or rental of collateral relating to loans under this subtitle; and

(vi) any other money made available to the Fund.

(2) This subtitle does not require an appropriation to the Fund from the General Fund of the State, regardless of the availability of other funding sources for the Fund.

(e) (1) The Fund shall be used to:

(i) make loans to new or existing companies with 50 or fewer employees;

(ii) make grants to local or regional governmental or not–for–profit economic development revolving loan funds in the State; and

(iii) pay all expenses and disbursements authorized by the Department for administering the Fund.

(2) A loan to an eligible company under this subtitle may include:

(i) advances of loan proceeds for loans; and

(ii) to the extent allowed by the regulations of the federal Economic Development Administration of the United States Department of Commerce, money for expenses for administrative, legal, actuarial, technical, and other services.

(3) Subject to the restrictions of this subtitle, the Department may make a loan from the Fund to an applicant only if:

(i) the applicant meets the qualifications under this subtitle; and

(ii) the applicant meets any additional requirements imposed by the source of the money to be loaned.

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

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

(3) The Treasurer shall submit a report each year to the Department on:

(i) the status of the money invested under this subtitle;

(ii) the market value of the assets in the Fund on the date of the report; and

(iii) the interest received from investments for the Fund during the reporting period.

§5–204.

The Department shall adopt regulations to carry out this subtitle.

§5–205.

(a) An applicant for a loan under this subtitle shall submit to the Department

an application on the form that the Department requires.

(b) The application shall include:

(1) a detailed strategic business plan;

(2) the amount of money required for the activities described in the strategic business plan;

(3) the money available to the applicant without financial assistance from the Department;

(4) the amount of financial assistance requested from the Department;

(5) information relating to the financial status of the applicant, including, if applicable:

(i) a current balance sheet;

(ii) a profit and loss statement; and

(iii) credit references; and

(6) any other relevant information that the Department requests.

§5–206.

(a) Except as otherwise provided in this subtitle, the Department may set the terms and conditions for loans and grants made under this subtitle.

(b) The Department shall:

(1) determine whether to approve loan requests from qualified applicants for loans under this subtitle;

(2) set the terms and conditions for loans made under this subtitle; and

(3) determine that the applicant was unable to obtain the financing necessary for the activities on affordable terms through the normal lending channels.

(c) The maximum amount of a loan made with money from the Economic Development Administration of the United States Department of Commerce may not exceed the limit it sets by regulation.

(d) The proceeds of a loan may be used for working capital, equipment, furnishings, fixtures, or the construction, rehabilitation, or purchase of real property for the activities that the Department approves.

(e) The Department may authorize a flexible repayment schedule for a loan

under this subtitle.

§5–207.

(a) The Department shall prepare the loan documents for loans under this subtitle.

(b) The loan documents shall include:

(1) the interest rate on the loan;

(2) the amount of the loan;

(3) repayment provisions for the loan; and

(4) any other provision that the Department determines is necessary, including a provision on taking liens and security interests in real or personal property.

§5–208.

(a) If a recipient of a loan under this subtitle violates any provision of the loan documents or ceases to meet the requirements of this subtitle, the Department may, on reasonable notice to the loan recipient:

(1) withhold further advances of loan proceeds until the loan recipient complies with the agreement or requirements; or

(2) exercise any other remedy provided in the loan documents.

(b) (1) If a loan made under this subtitle is in default, the Department may foreclose on a mortgage or deed of trust held as security for the loan in the manner provided under the Maryland Rules for foreclosures in private transactions.

(2) The Department may take title in the Department's name to any property foreclosed and convey title to a bona fide purchaser.

§5–209.

(a) A person may not knowingly make or cause to be made a false statement or report:

(1) in an application or document provided to the Department; or

(2) to influence Department action affecting financial assistance, whether or not the assistance already has been extended.

(b) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 5 years or a fine not exceeding $50,000 or both.

§5–301.

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

(b) "Aquaculture project" means a project that encourages innovation, expansion, and modernization of the seafood processing industry or aquaculture industry.

(c) "Arts and entertainment district" means an area designated by the Secretary as an arts and entertainment district under Title 4, Subtitle 7 of this article.

(d) "Arts and entertainment enterprise" means a for–profit or not–for–profit entity that is:

(1) located in an arts and entertainment district; and

(2) dedicated to the visual or performing arts.

(e) "Arts and entertainment project" means a project that promotes or enhances the development of an arts and entertainment district.

(f) (1) "Associated development and carrying costs" means costs that are associated with the acquisition and maintenance of an asset.

(2) "Associated development and carrying costs" includes:

(i) settlement costs;

(ii) insurance;

(iii) interest;

(iv) taxes;

(v) government fees;

(vi) utilities; and

(vii) the costs of managing and securing the asset.

(g) "Authority" means the Maryland Economic Development Assistance Authority.

(h) "Brownfields Revitalization Incentive Program" means the program in the Department that provides financial assistance from the Fund for the redevelopment of qualified brownfields sites, as provided in Part VI of this subtitle.

(i) (1) "Brownfields site" means a property that:

(i) is located in a county or municipal corporation that elects to participate in the Brownfields Revitalization Incentive Program in accordance with § 5–336 of this subtitle; and

(ii) is:

1. an eligible property, as defined in § 7–501 of the Environment Article, that is owned or operated by an inculpable person, as defined in § 7–501 of the Environment Article; or

2. a property where there is a release, discharge, or threatened release of oil, as defined in § 4–401 of the Environment Article, that is subject to Title 4 of the Environment Article.

(2) "Brownfields site" does not include property that is owned or operated by:

(i) a responsible person as defined in § 7–201 of the Environment Article; or

(ii) a person responsible for the discharge, as defined in § 4–401 of the Environment Article.

(j) "Child care facility" means a facility that is required to be licensed as a child care center under Title 5, Subtitle 5, Part VII of the Family Law Article.

(k) "Child care special loan" means a direct loan to expand or improve child care services at a child care facility, as provided in Part VII of this subtitle.

(l) "Corporation" means the Maryland Economic Development Corporation.

(m) "Financial assistance" means a grant, loan, or investment provided under this subtitle.

(n) "Fund" means the Maryland Economic Development Assistance Fund.

(o) "Local economic development fund" means a revolving, nonlapsing fund that one or more local governments establish for economic development in the areas under their jurisdiction.

(p) "Local economic development opportunity" means a project that:

(1) is determined by the Department or Authority to provide a valuable economic development opportunity to the jurisdiction in which the project is located; and

(2) is a priority for and endorsed by the governing body of that jurisdiction.

(q) "Local government" means:

(1) a county;

(2) a municipal corporation;

(3) a designated agency or instrumentality of a county; or

(4) a designated agency or instrumentality of a municipal corporation.

(r) "Qualified brownfields site" means a brownfields site that is determined by the Department to be eligible for financial assistance under this subtitle.

(s) "Qualified distressed county project" means a project that a local government or the Corporation carries out in a qualified distressed county.

(t) "Responsible person" has the meaning stated in § 7–201 of the Environment Article.

(u) "Significant strategic economic development opportunity" means a project that is determined by the Department or Authority to provide a valuable economic development opportunity of statewide, regional, or strategic industry impact.

(v) "Specialized economic development opportunity" means:

(1) an aquaculture project;

(2) an arts and entertainment enterprise;

(3) an arts and entertainment project;

(4) the redevelopment of a qualified brownfields site; or

(5) a project to create or expand a child care facility.

(w) "Working capital" means money to be used for current operations of a business.

§5–302.

Assistance for a qualified distressed county project is available to a qualified distressed county under this subtitle only if:

(1) the county has developed a local strategic plan for economic development in consultation with the municipal corporations located in the county, if any;

(2) the county has submitted the plan to the Secretary for approval; and

(3) the Secretary has approved the plan.

§5–305.

There is a Maryland Economic Development Assistance Authority in the Department.

§5–306.

(a) The Authority consists of the individuals serving as members of the Maryland Industrial Development Financing Authority under § 5-406 of this title.

(b) The members of the Authority shall be appointed in accordance with § 5-407 of this title.

§5–307.

(a) The members of the Authority may act concurrently in their capacities as members of the Authority and of the Maryland Industrial Development Financing Authority.

(b) The members of the Authority shall carry out the powers and duties of the Authority under this subtitle whether acting:

(1) concurrently as members of the Authority and the Maryland Industrial Development Financing Authority; or

(2) as members of either authority alone.

(c) The members of the Authority shall conduct the business of the Authority and of the Maryland Industrial Development Financing Authority under Subtitle 4 of this title.

§5–310.

There is a Maryland Economic Development Assistance Fund in the Department.

§5–311.

The purposes of the Fund are to:

(1) expand employment opportunities in the State by providing financial assistance to businesses that are engaged in eligible industry sectors, including financial assistance for:

(i) aquaculture projects;

(ii) arts and entertainment enterprises;

(iii) arts and entertainment projects; and

(iv) creation and expansion of child care facilities;

(2) provide financial assistance for the redevelopment of qualified brownfields sites;

(3) provide financial assistance to local governments and the Corporation for economic development projects; and

(4) provide grants to local economic development funds.

§5–312.

(a) The Secretary shall administer the Fund.

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

(2) The Treasurer shall hold the Fund separately and the Comptroller shall account for the Fund.

(c) Any investment earnings of the Fund shall be credited to the Fund.

§5–313.

The Fund consists of:

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

(2) money made available to the Fund through federal programs or private contributions;

(3) repayments of principal and interest from loans made from the Fund;

(4) proceeds from the sale, disposition, lease, or rental of collateral related to financial assistance provided by the Department under this subtitle;

(5) application or other fees paid to the Fund to process requests for financial assistance;

(6) recovery of an investment made by the Department in a business, including an arrangement under which part of the investment is recovered through:

(i) a requirement that the Department receive a proportion of cash flow, commissions, royalties, or license fees;

(ii) the repurchase from the Department of any of its investment interest; or

(iii) the sale of an appreciated asset;

(7) repayments received from recipients of conditional grants from the Department;

(8) money collected under § 9–229 of the Tax – Property Article;

(9) repayments on or recoveries from financial assistance provided from the former:

(i) Brownfields Revitalization Incentive Fund;

(ii) Child Care Facilities Direct Loan Fund;

(iii) Child Care Special Loan Fund;

(iv) Maryland Industrial and Commercial Redevelopment Fund;

(v) Maryland Industrial Land Fund;

(vi) Maryland Seafood and Aquaculture Loan Fund; and

(vii) Smart Growth Economic Development Infrastructure Fund; and

(10) any other money made available to the Fund.

§5–314.

(a) The Department may use money in the Fund to:

(1) provide financial assistance to eligible applicants; and

(2) pay expenses for administrative, actuarial, legal, and technical services for the Fund.

(b) The Department periodically shall review its portfolio in an effort to ensure:

(1) the equitable distribution among the counties of money from the Fund;

(2) adequate funding for qualified distressed county projects; and

(3) that no particular qualified distressed county benefits disproportionately from financial assistance to qualified distressed counties under this subtitle.

§5–315.

In accordance with § 2.5–109 of this article, the Department shall report on the number, amount, use, and economic benefits of financial assistance provided under this subtitle.

§5–316.

Financial assistance is deemed authorized under this subtitle if it was provided, or approved to be provided, from the following programs that have been incorporated into the Fund:

(1) the Brownfields Revitalization Incentive Fund;

(2) the Child Care Facilities Direct Loan Fund;

(3) the Child Care Special Loan Fund;

(4) the Maryland Industrial and Commercial Redevelopment Fund;

(5) the Maryland Industrial Land Act;

(6) the Maryland Seafood and Aquaculture Loan Fund; and

(7) the Smart Growth Economic Development Infrastructure Fund.

§5–319.

(a) (1) Financial assistance from the Fund not exceeding $2,500,000 may be approved by the Secretary.

(2) Except as provided in paragraph (3) of this subsection, financial assistance from the Fund exceeding $2,500,000 requires approval by the Authority.

(3) For a qualified distressed county project, the Secretary may approve financial assistance exceeding $2,500,000.

(b) Except as provided in subsection (a)(3) of this section, with respect to requests for financial assistance exceeding $2,500,000:

(1) the Department shall evaluate the requests; and

(2) the Authority shall:

(i) evaluate the requests that have first been evaluated by the Department;

(ii) determine whether to approve the requests; and

(iii) set the terms and conditions of the financial assistance.

(c) (1) Except as provided in paragraph (2) of this subsection, financial assistance provided to a local government or the Corporation for a project shall be approved by a formal resolution of:

(i) the governing body of the jurisdiction in which the project is located; or

(ii) if the recipient of the financial assistance is the Corporation, its board of directors.

(2) If the recipient of the financial assistance is the Corporation for a qualified distressed county project, the financial assistance shall be approved by formal resolutions of both the board of directors of the Corporation and the governing body of the jurisdiction in which the project is located.

(3) A project that is funded by a grant from the Fund to a local government or the Corporation, and carried out by the local government or the Corporation, shall be consistent with the strategy or plan for economic development of the county or municipal corporation in which the project is located.

(4) If the Department provides financial assistance to a local government for a project, an interest in that project is later transferred to a third party, and the transfer of the interest is financed by the local government:

(i) the local government may assign the financing documents to the Department as a repayment of or return on the Department's financial assistance to the local government; and

(ii) the assignment may not be considered a new financing under this subtitle.

(d) For a local economic development opportunity, the local government of the jurisdiction in which the project is located shall provide:

(1) a formal resolution of the governing body of the jurisdiction in which the project is located that endorses the financial assistance to be provided from the Fund; and

(2) as determined by the Department or Authority to evidence the support of the local government for the project:

(i) a guarantee, secured by the full faith and credit of the county or municipal corporation in which the project is located, of all or part of the financial assistance to be provided by the Fund;

(ii) the financing of part of the costs of the project equal to at least 10% of the financial assistance to be provided from the Fund; or

(iii) both.

§5–320.

(a) To be eligible for financial assistance from the Fund, an applicant shall be:

(1) a local economic development fund that meets the criteria set forth in Part V of this subtitle; or

(2) an individual, private business, not-for-profit entity, or local government, or the Corporation that intends to use the requested financial assistance for a project that:

(i) except as provided in subsection (b) of this section, is in an eligible industry sector under § 5-321 of this subtitle; and

(ii) has a strong potential for expanding or retaining employment opportunities in the State.

(b) A project need not be in an eligible industry sector if the applicant:

(1) is located in a qualified distressed county; or

(2) (i) is a local government or the Corporation; and

(ii) does not intend to use the financial assistance to carry out a project that benefits a particular private sector entity.

(c) In form and content acceptable to the Department, an applicant for financial assistance from the Fund shall submit to the Department an application that contains:

(1) the information that the Department or Authority considers necessary to evaluate the request for financial assistance; and

(2) for a qualified distressed county project:

(i) a marketing plan designed to market the project to prospective businesses;

(ii) a statement of planned marketing expenditures as a percent of the total financial assistance amount requested; and

(iii) a plan for the project that is consistent with the county's local strategic economic development plan as to the location and type of project.

§5–321.

(a) (1) After consulting with the Department and the Department of Labor, Licensing, and Regulation, each year the Maryland Economic Development Commission shall:

(i) evaluate the potential employment and economic growth of Maryland's industry sectors; and

(ii) recommend eligible industry sectors to the Authority.

(2) Each year the Authority shall:

(i) consider the recommendation of the Maryland Economic Development Commission; and

(ii) establish a list of industry sectors that will be eligible for financial assistance from the Fund.

(3) In determining whether an applicant is engaged in an eligible industry sector, the Department shall consider the definitions set forth in the North American Industry Classification System.

(b) (1) For the purpose of providing financial assistance under this subtitle, the following are deemed to be in eligible industry sectors:

(i) aquaculture projects;

(ii) arts and entertainment enterprises;

(iii) arts and entertainment projects;

(iv) redevelopment of qualified brownfields sites;

(v) creation or expansion of child care facilities;

(vi) projects in areas that are declared to be federal disaster areas within 1 year before the Department receives an application for financial assistance under this subtitle; and

(vii) feasibility studies.

(2) The requirements specifically imposed on significant strategic economic development opportunities and local economic development opportunities under this subtitle do not apply to the items listed in paragraph (1) of this subsection.

§5–322.

(a) Financial assistance from the Fund may be used only to finance costs incurred for:

(1) construction or acquisition of a building or real property, and associated development and carrying costs;

(2) construction, acquisition, or installation of equipment, furnishings,

fixtures, leasehold improvements, site improvements, or infrastructure improvements, including rail line enhancements on or to the site of an economic development project, and associated development and carrying costs;

(3) working capital for significant strategic economic development opportunities, arts and entertainment enterprises, or arts and entertainment projects;

(4) redevelopment of qualified brownfields sites;

(5) subject to § 5-325(b)(3) of this subtitle, construction, purchase, or renovation of real property, fixtures, or equipment related to a child care facility;

(6) if supported by a resolution adopted by the governing body of the jurisdiction in which a project may be located, feasibility studies;

(7) subject to § 5-325(b)(4) of this subtitle, preparation of a county's or municipal corporation's strategy or plan for economic development; and

(8) a project intended to assist businesses in areas that are declared to be federal disaster areas, but only if the Department receives an application for financial assistance within 1 year after the declaration of the federal disaster area.

(b) Financial assistance from the Fund may not be used to refinance existing debt.

§5–323.

Financial assistance from the Fund may not exceed the lesser of:

(1) $10,000,000; or

(2) 20% of the Fund balance.

§5–324.

(a) Each subsection of this section is subject to § 5–323 of this subtitle.

(b) If the Department or Authority determines a project to be a significant strategic economic development opportunity, the Department or Authority may provide a loan from the Fund for the project to an individual, private business, not–for–profit entity, or the Corporation in an amount not exceeding $10,000,000.

(c) If the Department or Authority determines a project to be a local economic development opportunity, the Department or Authority may provide financial assistance from the Fund for the project to an individual, private business, not–for–profit entity, or the Corporation in an amount not exceeding:

(1) $5,000,000 for a loan or investment; and

(2) $2,000,000 for a grant.

(d) (1) Financial assistance provided to a local government or the Corporation to finance a project may be:

(i) in the form of a grant, loan, or investment; and

(ii) except as provided in paragraph (2) of this subsection, in an amount not exceeding $3,000,000.

(2) Financial assistance for a qualified distressed county project may be in an amount determined by the Department.

(3) A grant to a local economic development fund is subject to the requirements of Part V of this subtitle.

(e) Financial assistance for a specialized economic development opportunity may be:

(1) provided to an individual, private business, not–for–profit entity, or local government, or the Corporation;

(2) in the form of a grant, loan, or investment; and

(3) in an amount determined by the Department or Authority.

§5–325.

(a) Subject to the restrictions of this subtitle, the Department or Authority may impose the terms and conditions on financial assistance from the Fund as either considers appropriate.

(b) (1) Except as provided in paragraph (2), (3), or (4) of this subsection, financial assistance from the Fund may not exceed 70% of the total costs of the project being financed.

(2) Financial assistance from the Fund may constitute 100% of the total costs of the project being financed if:

(i) the recipient is the Corporation; or

(ii) the financial assistance is for:

1. an arts and entertainment enterprise;

2. an arts and entertainment project; or

3. a qualified distressed county project.

(3) (i) Except as provided in subparagraph (ii) of this paragraph, financial assistance from the Fund:

1. may be used to finance up to 50% of the costs of construction, purchase, or renovation of real property, fixtures, or equipment related to a child care facility; but

2. may not be used for working capital, supplies, or inventory related to a child care facility.

(ii) Financial assistance from the Fund may be used to finance up to 20% of the costs described in subparagraph (i) of this paragraph incurred by a business that has received or will receive a day care loan insured by the Maryland Industrial Development Financing Authority.

(4) Financial assistance for preparation of a strategy or plan for economic development of a county or municipal corporation may not exceed:

(i) 50% of the costs of preparation; or

(ii) $50,000 in a 3-year period.

(c) (1) A loan from the Fund shall bear an interest rate below the market rate of interest, as determined by the Department, if the loan is for:

(i) a significant strategic economic development opportunity; or

(ii) a specialized economic development opportunity.

(2) A loan from the Fund for a qualified distressed county project shall bear an interest rate determined by the Department or the Authority.

(3) A loan from the Fund shall bear an interest rate not exceeding one-eighth of 1% plus the net interest cost of the most recent State general obligation bond issue preceding the approval of the loan if the loan is:

(i) for a local economic development opportunity; or

(ii) to a local government.

(4) A loan from the Fund may not bear an interest rate of less than 3% unless:

(i) the project funded by the loan is located in an area of high unemployment; or

(ii) the Department determines that the borrower is carrying out a compelling economic development initiative.

(d) (1) The Department may waive interest during the first 2 years of the term of a loan from the Fund.

(2) If a borrower defaults on a loan from the Fund, the Department may impose an interest rate that exceeds the limits set forth in subsection (c)(1) or (3) of this section.

(e) The term of a loan from the Fund may not exceed:

(1) for working capital, 3 years;

(2) for financing equipment, furnishings, or fixtures, the lesser of 15 years or the useful life of the asset, as determined by the Department;

(3) for financing the construction or acquisition of buildings and real property, 25 years; and

(4) for financing the redevelopment of a qualified brownfields site or a qualified distressed county project, a term approved by the Department or Authority.

§5–326.

(a) In this section, "minority business enterprise" has the meaning stated in § 14-301 of the State Finance and Procurement Article.

(b) (1) This section applies to financial assistance that exceeds $100,000.

(2) This section does not apply to financial assistance that is used solely to acquire real property or structures on real property.

(c) (1) If a local government that receives financial assistance has a program for promoting procurement opportunities among minority businesses that is acceptable to the Department, the local government shall apply the requirements of that program to procurement made with the proceeds of financial assistance.

(2) If the local government does not have a program that is acceptable to the Department under paragraph (1) of this subsection, the local government is subject to subsection (d) of this section.

(d) (1) An entity other than a local government, or a local government in accordance with subsection (c)(2) of this section, that receives financial assistance shall agree to include in the agreement providing the financial assistance a provision acceptable to the Department that would encourage the procurement from minority business enterprises of goods or services purchased with the proceeds from the financial assistance.

(2) In negotiating the provision required under paragraph (1) of this subsection, the Department shall take into account relevant factors, including:

(i) the intended use of the proceeds from the financial assistance; and

(ii) the feasibility of obtaining the required goods or services from minority business enterprises.

(e) The Department may require a recipient of financial assistance to submit to the Department a list, or an updated list, of the minority business enterprises from which goods or services were procured and the nature and cost of the goods or services.

§5–329.

(a) A local government may apply to the Department for a grant from the Fund to a local economic development fund.

(b) In determining whether to approve a grant to a local economic development fund, the Department or Authority shall consider and determine:

(1) the average rate of unemployment for the local jurisdiction in comparison to the average rate of unemployment for the State;

(2) whether the local government currently administers a local economic development fund;

(3) the ability of the local government to leverage private money;

(4) the level of financial commitment provided by the local government; and

(5) any other factors that the Department or Authority considers relevant.

§5–330.

(a) Except as provided in subsection (b) of this section, to qualify for a grant from the Fund, a local government shall provide at least an equal and matching grant of money to the local economic development fund.

(b) A local government that is, or is located in, a qualified distressed county may qualify for a grant from the Fund by providing a grant to the local economic development fund in an amount equal to at least 50% of the grant from the Fund.

§5–331.

(a) During each fiscal year the Department may not grant more than $2,000,000 under this part.

(b) (1) Subject to paragraph (2) of this subsection, during each fiscal year a county may not receive more than $250,000 under this part.

(2) For purposes of the limitation under paragraph (1) of this subsection:

(i) any money received under this part by a municipal corporation or designated agency or instrumentality is deemed to be money granted to the county within which the municipal corporation, agency, or instrumentality is located; and

(ii) if more than one county administers or capitalizes a local economic development fund, each county may receive the maximum authorized for a county.

§5–332.

(a) A local government shall use a grant under this part:

(1) to provide loans or loan guarantees, or to subsidize the interest rate on loans, for financing economic development projects; or

(2) to provide loans to small businesses.

(b) The Department may require that money from a grant under this part be returned to the Department if the local economic development fund is inactive for more than 2 years after the grant is made.

§5–335.

(a) There is a Brownfields Revitalization Incentive Program in the Department.

(b) The Department shall develop a program of financial assistance, including low-interest loans and grants, to assist persons who participate in the Brownfields Revitalization Incentive Program.

§5–336.

A county or municipal corporation may elect to participate in the Brownfields Revitalization Incentive Program by:

(1) (i) submitting to the Department a list of potential brownfields sites in the county or municipal corporation, ranked in the order of priority for redevelopment that the county or municipal corporation recommends; and

(ii) updating each year the list submitted under item (i) of this item; or

(2) (i) enacting legislation granting property tax credits in accordance with § 9-229 of the Tax - Property Article; and

(ii) notifying the Department of the legislation.

§5–337.

(a) Notwithstanding any other provision of law, the Department may provide to a person, including a responsible person, a low-interest loan or grant to conduct the environmental site assessment of a potential brownfields site that is required to participate in the Voluntary Cleanup Program under Title 7, Subtitle 5 of the Environment Article, if the person:

(1) has not already applied to participate in the Program;

(2) is otherwise eligible to participate in the Program; and

(3) meets the eligibility requirements that the Department sets.

(b) The information contained in an environmental site assessment is:

(1) the property of the State, if the assessment is financed wholly or partly by:

(i) a grant from the Department; or

(ii) a loan that is in payment default; or

(2) the property of the person who contracted for the assessment, if the assessment is financed by:

(i) a loan from the Department; or

(ii) a grant that is repaid.

(c) Eligibility for a loan or grant for an environmental site assessment under this section does not constitute eligibility for:

(1) any other financial assistance under this subtitle; or

(2) the tax credits provided under § 9-229 of the Tax - Property Article.

(d) The recipient of a grant under this section shall repay the grant if, within 12 months after receiving the grant, the recipient does not receive approval from the Department of the Environment to:

(1) participate in the Voluntary Cleanup Program; or

(2) implement a corrective action plan under Title 4 of the Environment Article.

(e) A low-interest loan provided under this section shall convert to a market rate loan if, within 12 months after receiving the loan, the recipient does not receive approval from the Department of the Environment to:

(1) participate in the Voluntary Cleanup Program; or

(2) implement a corrective action plan under Title 4 of the Environment Article.

(f) The Department may establish procedures and eligibility requirements for the approval of requests for loans and grants under this section.

§5–338.

(a) The Department shall determine whether a brownfields site is a qualified brownfields site based on whether the property:

(1) is located in a densely populated urban center and is substantially underutilized; or

(2) is an existing or former industrial or commercial site that poses a threat to public health or the environment.

(b) When reviewing qualified brownfields sites for financial assistance under this part, the Department may consider:

(1) the feasibility of redevelopment;

(2) the public benefit to the community and the State through the redevelopment of the property;

(3) the extent of releases or threatened releases at the brownfields site and the degree to which the cleanup and redevelopment of the brownfields site will protect public health or the environment;

(4) the potential to attract or retain manufacturing or other economically significant employers;

(5) the absence of identifiable and financially solvent responsible persons; or

(6) any other factor relevant and appropriate to economic development.

(c) A person may submit a request to the Department to determine whether the person qualifies for financial assistance for the potential redevelopment of a brownfields site when the person:

(1) applies to participate in the Voluntary Cleanup Program under Title 7, Subtitle 5 of the Environment Article; or

(2) receives approval from the Department of the Environment to implement a corrective action plan under Title 4 of the Environment Article.

(d) (1) The Department shall notify the person whether the person qualifies for financial assistance for the redevelopment of a brownfields site within 30 days after the Department receives a request under subsection (c) of this section if:

(i) the Department of the Environment approves the participation in the Voluntary Cleanup Plan or a corrective action plan; and

(ii) the Department or Authority approves the financial assistance.

(2) The notice shall specify which of the criteria in subsection (b) of this section that the person meets.

(e) When evaluating potential qualified brownfields sites, the Department shall consult with:

(1) the Department of the Environment, the Department of Planning, and relevant local officials;

(2) the neighboring community and any citizens groups located in the community;

(3) representatives of State and local environmental organizations;

(4) public health experts; and

(5) any other person the Department considers appropriate.

§5–339.

This part does not affect:

(1) the planning and zoning authority of a county or municipal corporation; or

(2) any provision of the Environment Article.

§5–342.

(a) In addition to providing money from the Fund to assist in creating and expanding child care facilities in the State under other provisions of this subtitle, the Department may use federal or other money provided for the purpose to make child care special loans.

(b) Child care special loans may be made to finance the expansion or improvement of child care services at child care facilities in the State, in accordance with this part.

(c) All money received by the Fund for making child care special loans shall be accounted for separately, including:

(1) federal money allocated or granted for child care special loans, including child care and development block grant money;

(2) private money donated or granted to the Fund for child care special loans;

(3) premiums, fees, interest payments, and principal payments on child care special loans made with federal money;

(4) proceeds from the sale, disposition, or lease of collateral that relates to child care special loans;

(5) any other money made available for child care special loans; and

(6) any federal money for child care special loans that are used by the Department to pay costs of administering the child care special loans.

§5–343.

In making child care special loans, the Department shall consider:

(1) community need;

(2) community income, with priority given to those communities with the lowest median family income;

(3) care for children with teenage parents in school or training;

(4) care for children with special needs; and

(5) infant care.

§5–344.

(a) An applicant for a child care special loan shall submit to the Department an application that contains the information that the Department requires.

(b) The application shall include:

(1) a detailed description of the proposed or existing child care facility;

(2) an itemization of known and estimated costs;

(3) the total amount of money required to expand or improve child care services at the child care facility;

(4) the money available to the applicant without a child care special loan from the Department;

(5) the amount of money sought from the Department;

(6) evidence of the inability of the applicant to obtain the financing necessary for the child care facility on affordable terms through normal lending channels;

(7) information that relates to the financial status of the applicant, including, if applicable:

(i) a current balance sheet;

(ii) a profit and loss statement; and

(iii) credit references; and

(8) a lease, option to buy, deed, or evidence that the applicant is legally entitled to remain at the child care facility for at least the term of the loan.

(c) The applicant for a child care special loan shall agree to:

(1) operate the child care facility for at least the term of the child care special loan; and

(2) repay the outstanding child care special loan in full on the loss of license, termination of lease, or transfer, sale, or refinancing of the child care facility, as applicable, before the end of the term of the child care special loan.

§5–345.

The Department may make a child care special loan to an applicant if:

(1) the applicant meets the qualifications required by this part;

(2) the applicant meets any additional requirements imposed by the source of the money to be loaned; and

(3) the child care special loan will be used for an authorized use under § 5-348 of this subtitle.

§5–346.

(a) Except as provided in this part, the Department may set the terms and conditions for child care special loans.

(b) The term of a child care special loan may not exceed 10 years.

(c) (1) The minimum amount of a child care special loan is $1,000.

(2) The maximum amount of a child care special loan is $10,000.

§5–347.

(a) If the Department makes a child care special loan to an applicant, the Department shall prepare loan documents.

(b) The loan documents shall include:

(1) the rate of interest on the child care special loan;

(2) the amount of the child care special loan;

(3) a requirement that before each disbursement of loan proceeds is released to the applicant, the applicant and the Department cosign the request for the money;

(4) provisions for repayment of the child care special loan; and

(5) any other provisions that the Department determines are necessary, including provisions to take liens and security interests in real and personal property.

(c) The child care special loan documents may provide for penalties for an applicant who fails to operate the child care facility for the entire term of the child care special loan.

§5–348.

(a) The proceeds of a child care special loan may be used:

(1) to assist the applicant in meeting applicable State and local child care standards;

(2) to pay for minor renovations, and to upgrade child care facilities, to ensure that applicants meet State and local child care standards; or

(3) to purchase and install equipment and furniture, including equipment needed to accommodate children with special needs.

(b) Except as provided in subsection (a) of this section, the proceeds of a child care special loan may not be used:

(1) to purchase or improve land; or

(2) to purchase, construct, or improve a building or facility.

§5–349.

(a) A mortgage or deed of trust held as security for a child care special loan made under this part that is in default may be foreclosed by the Department in the same manner as the Maryland Rules provide for foreclosures in private transactions.

(b) The Department may take title in its name to any property foreclosed under this section as well as to convey title to that property to a bona fide purchaser of the property.

§5–401.

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

(b) "Authority" means the Maryland Industrial Development Financing Authority.

(c) (1) "Authorized purpose obligation" means an evidence of obligation issued, offered for sale, or delivered by any person or public body for any purpose that the Authority determines will accomplish the purposes of this subtitle.

(2) "Authorized purpose obligation" includes:

(i) a bond;

(ii) a note;

(iii) a certificate; and

(iv) any other evidence of obligation.

(d) (1) "Bond" means a bond or note that is issued and sold by a public body, unit, or instrumentality of the State to finance a facility or refund an outstanding bond.

(2) "Bond" includes:

(i) a bond anticipation note;

(ii) a note in the nature of commercial paper or other instrument;

(iii) a certificate;

(iv) a bond issued under this subtitle or Title 12, Subtitle 1 of this article (Maryland Economic Development Revenue Bond Act); and

(v) any other evidence of obligation.

(e) "Cogeneration" means the combined generation by a facility of:

(1) electrical or mechanical power; and

(2) energy used for industrial, commercial, heating or cooling purposes, including:

(i) steam;

(ii) heat; and

(iii) other forms of energy.

(f) "Commercial building" means a building that:

(1) is used primarily to carry on a for-profit or not-for-profit business;

(2) is not residential; and

(3) is not used primarily to manufacture or produce raw materials, products, or agricultural commodities.

(g) "Energy audit" means:

(1) an energy audit performed for the purposes of Title VII of the Energy Policy and Conservation Act, 42 U.S.C. §§ 6201 through 6422; or

(2) an onsite inspection of a commercial building, an industrial building, or an industrial process to determine and provide information on:

(i) the type, quantity, and rate of energy consumption of the building or process;

(ii) maintenance and operation procedures that might reduce the energy consumption of the building or process; and

(iii) the cost of implementing an appropriate energy conservation project, a solar energy project, or both, and the savings in energy costs likely to result from the project.

(h) "Energy conservation project" means a project that qualifies under § 5-447 of this subtitle.

(i) (1) "Energy project" means a project that qualifies under § 5-445 of this subtitle.

(2) "Energy project" includes:

(i) an energy conservation project; and

(ii) a solar energy project.

(j) "Export-related financing transaction" means financing provided to a manufacturer of goods in the State, or a seller of goods or services in the State, if the goods or services are intended for sale to a foreign entity.

(k) (1) "Facility" has the meaning stated in § 12-101 of this article.

(2) "Facility" includes an energy project.

(l) "Facility applicant" has the meaning stated in § 12-101 of this article.

(m) "Facility user" has the meaning stated in § 12-101 of this article.

(n) "Finance" includes refinance.

(o) "Foreign entity" means:

(1) a person located outside the United States; or

(2) a governmental unit of a country other than the United States.

(p) "Fund" means the Industrial Development Fund established under § 5-423 of this subtitle.

(q) "Improve" means to construct, reconstruct, equip, expand, extend, improve, install, rehabilitate, or remodel.

(r) "Improvement" means construction, addition, alteration, equipping, expansion, extension, improvement, installation, reconstruction, rehabilitation, remodeling, or repair.

(s) (1) "Industrial building" means a building that:

(i) is used primarily to carry on a for-profit or not-for-profit business;

(ii) is used primarily for an industrial process; and

(iii) controls energy usage within its exterior envelope but does not have a peak design rate of energy usage of less than:

1. 3.5 B.T.U. per hour per square foot; or

2. 1 watt per square foot of floor area.

(2) "Industrial building" does not include a commercial building or a residential building.

(t) "Industrial process" means:

(1) a process used to produce or manufacture goods or products; or

(2) the storage or shipment of materials, goods, or products.

(u) "Public body" has the meaning stated in § 12-101 of this article.

(v) "Public port" has the meaning stated in § 12-101 of this article.

(w) "Retail establishment" means an establishment that sells goods or services to the ultimate user or consumer for personal use rather than business use.

(x) "Solar energy project" means a project that qualifies under § 5-448 of this subtitle.

§5–402.

This subtitle shall be liberally construed to accomplish its purposes.

§5–403.

(a) The General Assembly finds that:

(1) unemployment conditions exist in many areas of the State;

(2) the acquisition and improvement of facilities are essential to relieve this unemployment and establish a balanced economy in the State;

(3) the health, safety, welfare, and right of gainful employment of residents throughout the State will be promoted by the acquisition and improvement of facilities;

(4) the control or abatement of environmental pollution in the State, including noise pollution, is necessary to:

(i) protect the health, safety, and welfare of the residents of the State;

(ii) protect natural resources;

(iii) retain and attract industry and commercial enterprises; and

(iv) promote economic development;

(5) public ports in the State are valuable assets and any improvements to these ports that increase the import and export of waterborne commerce will directly benefit residents throughout the State;

(6) businesses need greater access to capital markets; and

(7) the availability of financial assistance under this subtitle will promote the economic development of the State.

(b) The purposes of this subtitle are to:

(1) relieve unemployment in the State;

(2) encourage the increase of industry and commerce and a balanced

economy in the State;

(3) help retain and attract industry and commerce through measures including:

(i) port development;

(ii) the control, reduction, or abatement of environmental pollution; and

(iii) the utilization and disposal of wastes;

(4) promote economic development;

(5) protect natural resources and encourage resource recovery;

(6) encourage the creation and expansion of day care facilities in the State; and

(7) promote the health, safety, and welfare of residents throughout the State.

§5–406.

(a) There is a Maryland Industrial Development Financing Authority in the Department.

(b) The Authority is a body politic and corporate and is an instrumentality of the State.

(c) The exercise by the Authority of power under this subtitle is the performance of an essential governmental function.

§5–407.

(a) (1) The Authority consists of the following nine members:

(i) seven members appointed by the Governor with the advice and consent of the Senate; and

(ii) as ex officio members:

1. the Secretary; and

2. the Treasurer or the Comptroller, as the Governor designates.

(2) An ex officio member may designate a representative to serve on the Authority.

(b) The appointed members shall:

(1) have substantial experience in business or economic development; and

(2) reflect the geographic, racial, ethnic, and gender makeup of the State.

(c) (1) The term of an appointed member is 5 years.

(2) The terms of the appointed members are staggered as required by the terms provided for members of the Authority on October 1, 2008.

(3) At the end of a term, an appointed member continues to serve until a successor is appointed and qualifies.

(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(d) The Governor may remove an appointed member with or without cause.

§5–408.

(a) The members of the Authority are also the members of the Maryland Economic Development Assistance Authority under § 5-306 of this title.

(b) The members of the Authority may act concurrently in their capacities as members of the Authority and of the Maryland Economic Development Assistance Authority.

(c) The members of the Authority shall carry out the powers and duties of the Authority under this subtitle whether acting:

(1) concurrently as members of the Authority and the Maryland Economic Development Assistance Authority; or

(2) as members of either authority alone.

§5–409.

(a) (1) From among its members, the Authority shall elect a chair and a vice chair.

(2) The Executive Director serves as secretary of the Authority.

(b) The Authority shall determine the manner of election of officers and their terms of office.

§5–410.

(a) (1) Five members of the Authority are a quorum.

(2) An affirmative vote of at least four members is needed for the Authority to act.

(b) The Authority shall determine the times and places of its meetings.

(c) A member of the Authority:

(1) is not entitled to compensation as a member of the Authority; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

§5–411.

(a) (1) With the approval of the Secretary, the Authority shall appoint an Executive Director.

(2) The Executive Director serves at the pleasure of the Authority, with the concurrence of the Secretary.

(3) The position of Executive Director is a special appointment under the State Personnel and Management System.

(b) The Executive Director is the chief administrative officer of the Authority.

(c) The Executive Director shall:

(1) direct and supervise the administrative affairs and technical activities of the Authority;

(2) attend the meetings of the Authority;

(3) record the minutes of the proceedings of the Authority;

(4) approve all accounts for salaries, per diem payments, and allowable expenses of the Authority, its employees, and its consultants;

(5) approve all expenses incidental to the operation of the Authority;

(6) in cooperation with the Department, submit to the Authority reports and recommendations related to proposed financial assistance under this subtitle; and

(7) perform the other duties that the Secretary or the Authority requires to carry out this subtitle.

(d) The Executive Director is the resident agent of the Authority for the receipt of service made in accordance with the Maryland Rules.

§5–412.

(a) The Authority may employ a staff in accordance with the State budget.

(b) The Authority shall appoint and remove all personnel in accordance with the State Personnel and Pensions Article.

§5–413.

(a) The Authority may:

(1) adopt bylaws for the conduct of its business;

(2) adopt a seal;

(3) maintain offices in the State;

(4) sue and be sued in its own name;

(5) retain consultants;

(6) use the services of other governmental agencies;

(7) in accordance with the purposes of this subtitle, contract for and accept a loan or grant from the federal government or the State, a local government, or any of their units or instrumentalities;

(8) acquire, improve, manage, operate, dispose of, or otherwise deal with property, take assignments of rentals and leases, and make contracts, leases, agreements, and arrangements that are necessary or incidental to the performance of the Authority's duties, on the terms and conditions that it may consider advisable;

(9) acquire or receive assignment of a document executed, obtained, or delivered in connection with financial assistance under this subtitle;

(10) subject to any outstanding agreement the Authority makes under this subtitle, make a covenant or other agreement regarding the Authority's insurance funds, establish within them accounts to carry out this subtitle, and allocate revenue and receipts among the accounts;

(11) fix, charge, and collect a premium, fee, cost, or other expense related to financial assistance under this subtitle, including an application fee, commitment fee, program fee, finance charge, and publication fee;

(12) authorize the chair, vice chair, or executive director to perform, on behalf of the Authority, a duty or prescribe, specify, determine, or approve a detail, document, procedure, or a matter that the Authority, in its sole discretion, determines appropriate to carry out this subtitle; and

(13) do all things necessary or convenient to carry out the powers granted by this subtitle.

(b) The Authority shall:

(1) keep records of its funds and accounts; and

(2) ensure that its funds and accounts are audited annually.

(c) In its internal functions, the Authority shall purchase office space, supplies, facilities, materials, equipment, and professional services in accordance with the State Finance and Procurement Article.

(d) The Authority exercises its powers and performs its duties subject to the authority of the Secretary.

§5–414.

The Authority may adopt regulations to carry out this subtitle.

§5–415.

(a) The Authority may approve, or may authorize the Executive Director to approve, the form of an agreement by the Authority under this subtitle.

(b) Any money that the Authority pays under an agreement the Authority makes under this subtitle shall be payable as and when the Authority determines in its sole discretion.

§5–416.

A finding by the Authority, including a finding as to the public purpose of an action taken under this subtitle, and the appropriateness of that action to serve the public purpose, is conclusive in a proceeding involving the validity or enforceability of:

(1) an agreement the Authority enters into under this subtitle;

(2) a bond; or

(3) any security relating to item (1) or (2) of this section.

§5–417.

Even though a determination of the Authority about financial assistance is subject to the Maryland Public Ethics Law, the existence of a conflict of interest or a violation of the Maryland Public Ethics Law does not affect:

(1) the validity of a finding or determination made under this subtitle;

(2) the enforceability of an agreement that the Authority makes under this subtitle; or

(3) the validity or enforceability of a bond that the Authority issues.

§5–418.

A member of the Authority, a person executing a bond or agreement of the Authority under this subtitle, or an employee of the Authority, the Department, or the State is not:

(1) personally liable on a bond or agreement of the Authority; or

(2) subject to personal liability or accountability arising from the issuance, execution, or delivery of a bond or agreement of the Authority.

§5–419.

(a) In accordance with § 2.5–109 of this article, the Authority shall submit a report on its condition and operations.

(b) In addition to the requirements under § 2.5–109(c) of this article, the report required under this section shall be submitted to the chair of the Joint Audit Committee.

§5–420.

If the Authority dissolves, title to its property vests in the State.

§5–423.

There is an Industrial Development Fund.

§5–424.

The Fund shall be used:

(1) for the purposes described in Part VI and §§ 5-430, 5-431, and 5-438 of this subtitle; and

(2) to pay expenses of the Authority, including expenses:

(i) for administrative, legal, actuarial, and other services;

(ii) related to:

1. issuance or insurance of bonds and authorized purpose obligations; and

2. funding of reserves; or

(iii) of providing other financial assistance under this subtitle.

§5–425.

(a) The Fund is a continuing, nonlapsing fund that is not subject to reversion under § 7-302 of the State Finance and Procurement Article.

(b) The Fund consists of:

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

(2) premiums, fees, and any other money received by the Authority with respect to financial assistance provided by the Authority from the Fund;

(3) proceeds from the sale, lease, or other disposition of property of the Authority;

(4) interest received from linked deposits made from the Linked Deposit Program under Part VI of this subtitle; and

(5) any other money made available under this subtitle.

§5–426.

(a) The Treasurer shall:

(1) invest the money in the Fund in the same manner as other State money may be invested; and

(2) credit any investment earnings to the Fund.

(b) Any net investment earnings of the Fund, beyond those necessary to further the purposes of this subtitle, may not benefit a person other than the State.

§5–427.

(a) The Authority shall send a written request to the Board of Public Works for additional money if:

(1) the Authority and the Secretary find that more money is needed to keep the reserves of the Fund at an adequate level; and

(2) the Secretary consents to the request.

(b) The Board of Public Works may disburse the requested amount from the General Emergency Fund.

§5–428.

With the consent of the Secretary, the Authority may pay to the Treasurer, to the credit of the General Fund, money that the Authority determines exceeds the amount necessary to meet:

(1) the obligations of the Authority under this subtitle; and

(2) the requirements of this subtitle.

§5–429.

Each year the Treasurer shall report to the Authority on the:

(1) status of the Fund;

(2) market value of the assets in the Fund as of the date of the report; and

(3) earnings from investments of the Fund during the period covered by the report.

§5–430.

(a) If the requirements of this section are satisfied, and subject to § 5-432 of this subtitle, the Authority may use the Fund to:

(1) insure the payment of any of the principal of, redemption or prepayment premiums or penalties on, and interest on:

(i) bonds; and

(ii) any instrument executed, obtained, or delivered in connection with the issuance and sale of bonds; and

(2) pay or insure the payment of fees or premiums for insurance, guarantees, or other credit support in connection with financial assistance under this subtitle.

(b) Based on factors it considers relevant, the Authority shall determine, in its sole discretion, that the economic impact of the transaction will be substantial.

(c) The Authority shall find:

(1) that the acquisition or improvement of a facility will not result in:

(i) the removal from one county to another county of the business operations of the facility user; or

(ii) the abandonment of a facility in the State; or

(2) if the acquisition or improvement will result in removal or abandonment, that the acquisition or improvement will:

(i) discourage the facility user from leaving the State; or

(ii) preserve the competitive position of the facility user in its industry.

(d) The Authority shall find that the Authority will not be required, except on default, to operate, service, or maintain the facility.

(e) The bonds or instruments shall be secured in a manner that the Authority approves.

(f) Financial assistance from the Fund provided under this section may not exceed an aggregate amount of $7,500,000 for a single facility.

§5–431.

(a) If the requirements of this section are satisfied, and subject to § 5-432 of this subtitle, the Authority may use the Fund to:

(1) insure the payment of any of the principal of, redemption or prepayment premiums or penalties on, and interest on authorized purpose obligations; and

(2) pay or insure the payment of fees or premiums for insurance, guarantees, or other credit support in connection with financial assistance under this subtitle.

(b) Based on factors it considers relevant, the Authority shall determine, in its sole discretion, that the economic impact of the transaction will be substantial.

(c) The Authority shall find:

(1) that the transaction will not result in:

(i) the removal from one county to another county of the business operations of any person who benefits from the transaction; or

(ii) the abandonment of the business operations in the State of any person who benefits from the transaction; or

(2) if the transaction will result in removal or abandonment, that the transaction will:

(i) discourage the business from leaving the State; or

(ii) preserve the competitive position of the business in its industry.

(d) Financial assistance under this section may only be used in connection with a retail establishment if the Authority determines, in its sole discretion, that the financial assistance will accomplish the purposes of this subtitle.

(e) The Authority shall find that the Authority will not be required, except on default, to operate, service, or maintain any business.

(f) The authorized purpose obligations shall be secured in a manner that the Authority approves.

(g) Financial assistance from the Fund provided under this section may not exceed an aggregate amount of $2,500,000 for a single transaction.

(h) The aggregate amount of insurance provided under this section for a single authorized purpose obligation may not exceed:

(1) for an export-related financing transaction, 90% of the total of the principal of, redemption or prepayment premiums or penalties on, and interest on, the authorized purpose obligation; or

(2) for a transaction other than an export-related financing transaction, 80% of the total of the principal of, redemption or prepayment premiums or penalties on, and interest on, the authorized purpose obligation.

§5–432.

The portion of the aggregate principal amount of bonds and authorized purpose obligations that the Fund insures at any time may not exceed 5 times the Fund balance.

§5–435.

Financial assistance under this subtitle is:

(1) subject to the provisions of Title 20 of the State Government Article concerning discrimination and unlawful practices; and

(2) not subject to Title 17, Subtitle 1 of the State Finance and Procurement Article (Security for construction projects).

§5–436.

(a) The Authority may issue and sell bonds in accordance with Title 12, Subtitle 1 of this article (Maryland Economic Development Revenue Bond Act) and this subtitle to accomplish the purposes of this subtitle.

(b) (1) The Authority may issue its bonds without the consent of any other unit of State government, any proceedings, or the occurrence of any conditions, other than those expressly required by this subtitle.

(2) (i) Before the Authority issues bonds, the Authority shall notify the Board of Public Works of its intention to issue the bonds up to a stated amount.

(ii) The Board of Public Works may coordinate the issuance of the bonds with any issuance of bonds of the State or its units or instrumentalities.

(3) The failure of the Authority to notify the Board of Public Works under paragraph (2)(i) of this subsection does not affect the validity or enforceability of bonds, findings or determinations, or agreements of the Authority.

(c) (1) When the Authority issues bonds, it is in the public interest that the Authority try to achieve a goal that 10% of the facility users are minority business enterprises as defined in § 14-301 of the State Finance and Procurement Article.

(2) The failure of the Authority to achieve the goal set out under paragraph (1) of this subsection does not affect in any way the validity or enforceability of bonds, findings or determinations, or agreements of the Authority.

(d) (1) This subsection does not apply to insurance that the Authority provides.

(2) A bond the Authority issues and the interest on the bond are limited obligations of the Authority.

(3) Except for bond anticipation notes and notes in the nature of commercial paper, the principal of, premium, and interest on a bond are payable solely from:

(i) money from the financing of a facility; and

(ii) other money made available to the Authority.

(4) Bonds and the interest on them:

(i) are not debts or charges against the general credit or taxing powers of the State, the Department, the Authority, or any other public body within the meaning of any constitutional or charter provision or statutory limitation; and

(ii) may not give rise to any pecuniary liability of the State, the Department, the Authority, or any other public body.

(5) A bond may state on its face that the bond:

(i) is issued under Title 12, Subtitle 1 of this article (Maryland Economic Development Revenue Bond Act) and this subtitle; and

(ii) is not a debt to which the faith and credit of the State, the Department, the Authority, or any other public body is pledged.

(e) Bonds that the Authority issues are exempt from State and local taxes as provided in § 12-116 of this article.

(f) Facilities financed with the proceeds of bonds that the Authority issues are not subject to the requirements of any law regarding competitive bidding.

§5–437.

(a) The Authority may authorize the Executive Director of the Authority to approve, on behalf of the Authority, financial assistance under § 5–431 of this subtitle not exceeding the aggregate amount of $250,000 for a single transaction.

(b) An approval by the Executive Director under this section:

(1) is subject to concurrence of the Secretary, the Secretary's designee, or the chair of the Authority;

(2) shall comply with the requirements of this subtitle; and

(3) is binding on the Authority.

§5–438.

In conjunction with financial assistance under this subtitle, the Authority may:

(1) accept an option to acquire an equity interest in a business enterprise; and

(2) exercise, in its sole discretion, the option using money from the Fund.

§5–439.

(a) The Authority may set premiums and fees for financial assistance under this subtitle in its sole discretion.

(b) The premiums and fees shall be payable in the amounts, at the time, and in the manner that the Authority requires in its sole discretion.

(c) The premiums and fees may vary in amount among approvals for financial assistance under this subtitle and at different stages of the financial assistance.

§5–440.

(a) The Authority may not charge a premium for insurance if the Authority determines that, at the time the insurance is approved, the facility or business for which the Authority provides insurance is located in a qualified distressed county.

(b) A determination by the Authority under subsection (a) of this section for a facility or business is effective for as long as the financial assistance is in effect.

§5–441.

(a) Insurance on bonds or authorized purpose obligations provided before July 1, 2000, shall continue as obligations of the Authority and are authorized under this subtitle.

(b) Financial assistance that the Authority approves, but that is not closed before July 1, 2000, is authorized under this subtitle.

(c) Bonds issued by the Maryland Energy Financing Administration shall continue after December 31, 2001, as obligations of the Authority and are authorized under this subtitle.

(d) Loan guarantees that the Department provided from the former Day Care Loan Guarantee Fund shall continue as obligations of the Authority and are authorized under this subtitle.

(e) Deposit agreements between the Department and a lender under the former Maryland Enterprise Incentive Deposit Fund Program shall continue as obligations of the Authority and are authorized under this subtitle.

§5–444.

(a) (1) The Authority shall participate in financial assistance programs for energy projects provided by the federal Energy Security Act, P.L. 96-294.

(2) For purposes of that Act, the Authority is a "person" as defined in:

(i) 42 U.S.C. § 8802, concerning the financing of biomass energy, municipal solid waste, and alcohol fuels projects; and

(ii) 30 U.S.C. § 1511, concerning the financing of geothermal energy projects.

(b) For purposes of the federal Public Utility Regulatory Policies Act of 1978, the Authority is a "nonprofit organization" as defined in 16 U.S.C. § 2708 and used in 16 U.S.C. §§ 2702 and 2703, concerning small-scale hydropower projects.

§5–445.

(a) (1) In this section the following words have the meanings indicated.

(2) (i) "Renewable fuel" means gaseous, liquid, or solid fuel from any organic matter and its by–products.

(ii) "Renewable fuel" includes fuel from:

1. an agricultural crop, agricultural waste, or agricultural residue;

2. wood, wood waste, or wood residue;

3. animal waste;

4. aquatic plants;

5. sewage or sewage sludge;

6. municipal, industrial, or commercial waste;

7. any mixture of any of these substances with inorganic refuse from a public or private municipal waste collection system or similar disposal system; or

8. any combination of items 1 through 7 of this item.

(iii) "Renewable fuel" does not include fossil fuel.

(3) "Transportation facility" means a transportation facility that is used exclusively to transport fuel produced by a fuel production facility to:

(i) a storage facility;

(ii) a pipeline connection to an existing pipeline or processing facility; or

(iii) an area near the fuel production facility.

(b) A project qualifies as an energy project if it consists of:

(1) an energy conservation project;

(2) a solar energy project;

(3) the construction of a facility to produce solar energy equipment;

(4) the construction of a facility or portion of a facility to:

(i) produce renewable fuel; and

(ii) burn renewable fuel, or a mixture of renewable fuel with other materials, to generate:

1. heat;

2. mechanical power;

3. electricity, including by cogeneration; or

4. other useful forms of energy;

(5) the conversion of any facility to use renewable fuel;

(6) the expansion or improvement of a facility that increases its capacity or efficiency to use renewable fuel;

(7) the acquisition and improvement of equipment for use in a facility specified in items (4) through (6) of this subsection;

(8) the acquisition or improvement of land for a facility specified in items (4) through (6) of this subsection;

(9) the purchase, construction, or installation of a facility or equipment to use groundwater as a heat source for a heating system or as a heat sink for an air conditioning system;

(10) the purchase, construction, or installation of a facility or equipment to develop and use the natural heat of the earth for direct use or to generate electricity;

(11) the purchase, construction, and installation of a hydroelectric facility at an existing dam that:

(i) uses the water power potential of the dam; and

(ii) has no more than 30 megawatts of installed capacity;

(12) the construction of a fuel production facility for commercial production of a gaseous, liquid, or solid fuel, or of a combination of them, that:

(i) is produced by chemical or physical transformation of coal or mixtures of coal and other materials;

(ii) can be used as a substitute for petroleum or natural gas, or any of their derivatives, including chemical feedstocks; and

(iii) includes only:

1. the fuel production facility, including the equipment, plant, supplies, and other materials associated with the fuel production facility;

2. the land and mineral rights required directly for use in connection with the fuel production facility;

3. any other facility or equipment to be used in the extraction of a mineral for use directly and exclusively in the fuel production facility that is necessary to the project and is:

A. colocated with or located in the immediate vicinity of the

fuel production facility; or

B. if not colocated or located in accordance with item A of this item:

I. a coal mine in the case that no other reasonable source of coal is available to the project; or

II. incidental to the project; and

4. any transportation facility, electric power plant, electric transmission line, or other facility that is:

A. for the exclusive use of the project;

B. incidental to the project; and

C. necessary to the project;

(13) the conversion of a facility from using petroleum–based fuel to coal or to a mixture of coal and other materials as a fuel; or

(14) the construction of a facility to burn coal using innovative technology that increases the efficiency of the combustion process.

§5–446.

(a) In awarding financial assistance under this subtitle for an energy project, the Authority shall consider whether the energy project would:

(1) reduce the consumption of petroleum and other energy sources;

(2) increase the energy supply available in the State;

(3) increase employment and economic activity in the State;

(4) use sound technology and be economically feasible;

(5) minimize harm to the environment; and

(6) make the most use of federal financial assistance programs for energy projects.

(b) The Authority shall:

(1) promote programs of financial assistance for energy projects established under this subtitle;

(2) inform consumers, the private sector, and financial institutions about

these programs and actively seek their participation;

(3) develop and disseminate descriptions of its programs of financial assistance for energy projects; and

(4) serve as a clearinghouse for information on federal and State programs of financial assistance for energy projects.

§5–447.

A project involving a commercial building, an industrial building, or an industrial process qualifies as an energy conservation project if it consists of:

(1) the purchase, installation, or modification of an installation that is designed primarily to reduce the consumption of energy, including:

(i) caulking or weather stripping;

(ii) insulating the building structure or a system in the building;

(iii) a storm window or door, a multiglazed window or door, a heat-absorbing or heat-reflecting window or door system, glazing, a reduction in glass area, or another window or door system modification;

(iv) an automatic energy control system;

(v) equipment that is associated with an automatic energy control system and that is required to operate a variable steam, hydraulic, or ventilation system;

(vi) the replacement or modification of a lighting system to increase energy efficiency;

(vii) an energy recovery system;

(viii) a cogeneration system;

(ix) a system for processing or converting the waste products of the industrial process to steam, electricity, heat, or other useful form of energy;

(x) an improvement to the industrial process that reduces the energy requirements for each unit of output;

(xi) a modification of a furnace or utility plant and distribution system including:

1. a replacement burner, furnace, or boiler or any combination of them that increases the energy efficiency of the heating system;

2. a device for modifying a flue opening that increases the energy efficiency of the heating system; and

3. an electrical or mechanical furnace ignition system that replaces a standing gas pilot light; or

(xii) any other energy conservation improvement that the Authority determines by regulation to be appropriate and consistent with this subtitle; or

(2) a planning or technical service or an energy audit, if the service or audit is related to or undertaken with the installation, or the modification of an installation of an item specified in item (1) of this section.

§5–448.

(a) A project qualifies as a solar energy project if it:

(1) is an addition, alteration, or improvement to a commercial building or industrial building; and

(2) is designed to reduce the energy requirements of the building by using:

(i) wind energy;

(ii) energy from a wood-burning appliance; or

(iii) solar energy of:

1. the active type based on mechanically forced energy transfer;

2. the passive type based on convective, conductive, or radiant energy transfer; or

3. a combination of these types.

(b) A solar energy project may include:

(1) a solar process heat device;

(2) a solar electric device; and

(3) an earth-sheltered building in which the sheltering substantially reduces the consumption of energy by the building.

§5–451.

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

(b) "Applicant" means the eligible business applying for fixed asset financing assisted by a linked deposit.

(c) "Eligible business" means a for-profit business that:

(1) is located in a qualified distressed county;

(2) is in good standing with each State regulatory authority with jurisdiction over the business of the applicant, including the State Workers' Compensation Commission, the Department of Assessments and Taxation, and the Department of Labor, Licensing, and Regulation; and

(3) employs 500 or fewer employees.

(d) (1) "Fixed asset financing" means a commercial loan to finance:

(i) the acquisition or improvement of all or part of a building;

(ii) the acquisition or improvement of the land for the building if not already owned by the applicant; or

(iii) the acquisition or improvement of equipment.

(2) "Fixed asset financing" does not include refinancing an existing debt.

(e) "Lender" means a financial institution that:

(1) is eligible to make commercial loans;

(2) is a public depository of State funds;

(3) agrees to receive linked deposits under this part; and

(4) is insured by the Federal Deposit Insurance Corporation.

(f) "Linked deposit" means a deposit that the Authority places with a lender that earns interest below the prevailing market rate for equivalent deposits made with the lender at the time of the deposit.

(g) "Program" means the Linked Deposit Program established under § 5-452 of this subtitle.

§5–452.

There is a Linked Deposit Program in the Department.

§5–453.

(a) The purpose of the Program is to stimulate economic and employment

growth in rural areas of the State with high unemployment.

(b) (1) The Program shall assist eligible businesses to obtain a loan at below market rates.

(2) An eligible business may use a Program loan to acquire land, buildings, and equipment.

(3) An acquisition made by an eligible business with a Program loan shall be used to create or retain employment opportunities in a rural area.

§5–454.

The Authority may place a linked deposit with a lender in accordance with this part.

§5–455.

(a) To obtain fixed asset financing under this part, an eligible business shall apply to a lender for fixed asset financing.

(b) Fixed asset financing under this part may not exceed $500,000 for an eligible business.

(c) In addition to the information that the lender requires in its standard loan application, the applicant shall provide to the lender, in a form that the Authority prescribes:

(1) a certification, with supporting documentation, that the applicant is an eligible business; and

(2) a description of the number and kinds of jobs to be created or retained as a result of providing the linked deposit.

§5–456.

(a) On conditional approval of a fixed asset financing loan application under this part, the lender shall forward the loan package to the Authority.

(b) In addition to any other information the Authority reasonably requires to carry out the purposes of this part, the linked deposit loan package shall include the information required of the applicant under § 5-455(c) of this subtitle.

(c) By forwarding the loan package to the Authority, the lender is not representing to the Authority that information in the loan package that relates to the applicant is accurate or valid.

§5–457.

In determining whether to accept a linked deposit loan package, the Authority shall confirm the eligibility of the applicant and consider:

(1) the number and kinds of jobs to be created or retained as a result of providing the linked deposit;

(2) the amount of the loan;

(3) the amount of money in the Fund and the amount committed to linked deposits;

(4) whether the availability of linked deposit financing is essential for the economic feasibility of the acquisition;

(5) the economic needs of the area in which the eligible business is located;

(6) the financial feasibility of the loan; and

(7) other factors that the Authority considers relevant.

§5–458.

If the Authority accepts a linked deposit loan package forwarded from a lender, the Authority and the lender shall make an agreement that sets the amount of, the term of, and the schedule for payment of the principal of and interest on the linked deposit.

§5–459.

On receiving linked deposit approval from the Authority, the lender shall issue a loan commitment to the applicant that provides that the interest rate on the financing will be below the prevailing market rate to the same extent and for as long as interest earned on the linked deposit is below interest earned on other equivalent deposits with the lender at the time of the deposit.

§5–460.

(a) A fixed asset financing loan assisted by a linked deposit is not a debt of the State or a pledge of the credit of the State.

(b) The Authority and, in accordance with § 5-521 of the Courts Article, the Department and the State are not liable to a lender for payment of the principal or interest on a fixed asset financing loan assisted by a linked deposit under this part.

§5–463.

(a) A person may not knowingly make or cause a false statement or report to be

made in an application or document submitted to the Authority.

(b) A person may not knowingly make or cause a false statement or report to be made to influence an action of the Authority:

(1) on an application for financial assistance under this subtitle; or

(2) affecting financial assistance sought or awarded under this subtitle.

(c) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 5 years or a fine not exceeding $50,000 or both.

(d) A person who violates this section is subject to § 5-106(b) of the Courts Article.

§5–466.

This subtitle may be referred to as the Maryland Industrial Development Financing Authority Act.

§5–501.

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

(b) "Authority" means the Maryland Small Business Development Financing Authority.

(c) "Financial institution" means:

(1) a financial institution, as defined in § 1-101 of the Financial Institutions Article; and

(2) any other lender that the Authority approves.

(d) (1) "Loan document" means an instrument or agreement that evidences, secures, or guarantees a loan.

(2) "Loan document" includes a note, financing statement, mortgage, pledge, assignment, loan and security agreement, or guaranty.

(e) (1) "Working capital" means money used to meet the cash needs of an operating business entity.

(2) "Working capital" does not include money used for a capital purchase.

§5–502.

(a) The General Assembly finds that:

(1) the inability of socially or economically disadvantaged individuals to obtain working capital is a major limitation on their opportunity to win and perform government and other contracts;

(2) because socially or economically disadvantaged individuals frequently have been awarded government or other contracts but have lacked the working capital to post a bond, buy supplies needed to begin the work, or pay employees, these individuals have been unable to accept the contracts;

(3) some individuals are unable to obtain government and other contracts for reasons other than the cost to the owner or the ability to perform the contract work competently;

(4) socially or economically disadvantaged individuals frequently lack adequate capital to sustain and expand their businesses and to hire and train employees;

(5) because high risk, problem, or uncollectible loans are not in the interest of financial institutions, financial institutions generally are reluctant to lend money to socially or economically disadvantaged individuals with insufficient records of performance;

(6) the inability of businesses owned by socially or economically disadvantaged individuals to obtain long-term financing is a major limitation on their opportunity to survive and expand; and

(7) the public welfare is served by promoting the viability and expansion of businesses owned by economically or socially disadvantaged individuals, retaining or increasing the employment of these individuals, and expanding the taxable base of the economy of the State.

(b) The purposes of the Authority are:

(1) to assist socially or economically disadvantaged individuals to obtain adequate working capital to begin, continue, and complete projects, the majority of funding for which is provided by government entities or utilities;

(2) to encourage socially or economically disadvantaged individuals to seek government and other contracts;

(3) to encourage financial institutions to make loans to these individuals; and

(4) to assist small businesses that are unable to obtain adequate business financing on reasonable terms through normal financing channels because the businesses do not meet the established credit criteria of financial institutions.

§5–505.

There is a Maryland Small Business Development Financing Authority in the Department.

§5–506.

(a) The Authority consists of the following nine members:

(1) seven members appointed by the Governor;

(2) the Secretary or the Secretary's designee; and

(3) (i) the Comptroller or the Treasurer as designated by the Governor; or

(ii) the designee of the Governor's designee.

(b) (1) The term of an appointed member is 5 years.

(2) The terms of appointed members are staggered as required for appointments to the Authority on October 1, 2008.

(3) At the end of a term, an appointed member continues to serve until a successor is appointed and qualifies.

(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(c) The Governor may remove an appointed member for cause.

§5–507.

(a) The Authority shall elect a chair, vice chair, and treasurer from among its members.

(b) The Authority shall determine the manner of election of officers and their terms.

§5–508.

(a) (1) Four members of the Authority are a quorum.

(2) The Authority may not act on any matter unless at least four members in attendance concur.

(b) The Authority shall determine the times and places of its meetings.

(c) A member of the Authority is entitled to reimbursement for expenses under

the Standard State Travel Regulations, as provided in the State budget.

(d) The Authority may employ a staff in accordance with the State budget.

§5–509.

(a) (1) The Executive Director is the chief administrative officer of the Authority.

(2) With the approval of the Secretary, the Authority may:

(i) appoint the Executive Director; or

(ii) contract with a private entity to perform the duties of the Executive Director.

(b) The Executive Director serves at the pleasure of the Authority, with the concurrence of the Secretary.

(c) In addition to any other duties set forth in this subtitle, the Executive Director shall:

(1) supervise the administrative affairs and technical activities of the Authority in accordance with its regulations and policies;

(2) attend all meetings of the Authority;

(3) keep minutes of all proceedings of the Authority;

(4) approve all accounts for salaries, per diem payments, and allowable expenses of the Authority, its employees, and its consultants;

(5) approve all expenses incidental to the operation of the Authority; and

(6) perform any other duty that the Authority or the Secretary requires to carry out this subtitle.

§5–510.

A member of the Authority may not participate in any decision related to the approval of financial assistance if the member has any interest in:

(1) the applicant for the assistance; or

(2) the financial institution seeking a guaranty or an interest subsidy or both.

§5–511.

(a) "Authority staff" means any of the individuals who are employed by the Department to operate the programs of the Authority immediately prior to the execution by the Department of a contract under this section with the private corporation organized by any of those individuals.

(b) (1) The Department may contract for and engage the services of some or all of the Authority staff to administer the programs of the Authority, for a period of 3 years, if the Authority staff has organized itself as a private Maryland corporation.

(2) The Department may:

(i) extend the termination date of the contract in effect as of September 30, 2008 to June 30, 2012, and modify that extended contract as needed; and

(ii) renew the extended contract for up to two additional 5-year terms, and modify that renewed and extended contract as needed.

(3) An extension or renewal contract shall include standards to evaluate the performance of the private contractor in rendering services under the contract.

(c) In its name the corporation may use "Maryland Small Business Development Financing Agency", "MSBDFA, Inc.", or any close approximation of those terms.

§5–512.

(a) The Authority exercises its powers and performs its duties subject to the authority of the Secretary.

(b) The Authority may:

(1) adopt bylaws for the conduct of its business;

(2) adopt a seal;

(3) maintain offices in the State;

(4) sue and be sued in its own name;

(5) retain consultants;

(6) use the services of governmental units;

(7) contract for and accept, to carry out this subtitle, a loan or grant from the federal government, a political subdivision of the State, or any other source;

(8) purchase, receive, lease as lessee, or otherwise acquire, sell, mortgage, lease as lessor, pledge, administer, dispose of, or otherwise deal with property given as collateral under a loan agreement on the terms and conditions it considers advisable;

(9) adopt regulations necessary to carry out its powers;

(10) acquire or take assignments of loan documents; and

(11) do anything necessary or convenient to carry out its powers.

(c) The Authority shall:

(1) in its internal functions, follow the procedures of the State that govern the purchase of office space, supplies, facilities, materials, equipment, and professional services;

(2) keep proper records of its accounts;

(3) keep separate records for:

(i) the Small Business Development Contract Financing Fund under Part III of this subtitle;

(ii) the Small Business Development Guaranty Fund under Part IV of this subtitle;

(iii) the Equity Participation Investment Program Fund under Part V of this subtitle; and

(iv) the Small Business Surety Bond Fund under Part VI of this subtitle; and

(4) in accordance with § 2.5–109 of this article, submit a report on its condition and operations.

§5–513.

(a) In any action, service of process on the Authority shall be made by service on the Executive Director of the Authority.

(b) Service may be made in person or by leaving a copy of the process at the office of the Executive Director with the individual in charge of the office.

§5–514.

(a) Notwithstanding § 10–469(e) and (f) of this article or any other law, the following money shall be payable into the funds under this subtitle:

(1) any recovery of investments made under § 10–469 of this article that

were funded by a transfer of money from the funds under this subtitle to the Enterprise Fund, including an investment in MMG Ventures LLP; and

(2) any repayment of a grant made under § 10–469 of this article that was funded by a transfer of money from the funds under this subtitle to the Enterprise Fund.

(b) The Authority shall determine the proportion of the recovery or repayment payable under subsection (a) of this section that shall be deposited into each of the funds under this subtitle.

§5–517.

In this part, "Fund" means the Small Business Development Contract Financing Fund.

§5–518.

There is a Small Business Development Contract Financing Fund.

§5–519.

The Authority shall use the Fund to implement this part.

§5–520.

The Authority shall administer the Fund.

§5–521.

(a) The Fund is a special, nonlapsing fund that is not subject to reversion under § 7-302 of the State Finance and Procurement Article.

(b) The Treasurer shall:

(1) invest the money in the Fund in the same manner as other State money may be invested; and

(2) credit any investment earnings to the Fund.

(c) If the Authority determines by resolution that any money in the Fund is no longer needed to meet its obligations, the Authority may authorize the Comptroller to first employ that money to pay the principal of and interest on outstanding bonds issued under any Act authorizing the issue of State general obligation bonds issued to implement this subtitle.

§5–522.

The Fund consists of:

(1) premiums for guaranteeing loans under § 5-525(a) of this subtitle;

(2) premiums for guaranteeing equity investments under § 5-525(b) of this subtitle;

(3) repayments of principal of and interest on direct loans made under § 5-525(c) of this subtitle;

(4) proceeds from the sale, disposition, lease, or rental of collateral for direct loans or loan guaranties made under § 5-525 of this subtitle; and

(5) all other receipts of the Authority under this part.

§5–523.

(a) If the Authority and the Secretary determine that more money is needed to keep the Fund at an adequate level, the Authority shall send a written request for the additional money to the Board of Public Works.

(b) The Board of Public Works may pay the amount requested from the General Emergency Fund.

§5–524.

The Authority may use the Fund for:

(1) loan guaranties made under § 5-525(a) of this subtitle;

(2) equity investment guaranties made under § 5-525(b) of this subtitle;

(3) direct loans made under § 5-525(c) of this subtitle; and

(4) expenses for administrative, legal, actuarial, and other services.

§5–525.

(a) (1) The Authority may use the Fund to guarantee a loan made to an applicant only if:

(i) the applicant meets the requirements of this part;

(ii) the loan is to be used to perform a contract for which the majority of the funding is provided by the federal government, a state government, a local government, or a utility regulated by the Public Service Commission;

(iii) the maximum amount payable by the Authority under the guarantee does not exceed $2,000,000; and

(iv) the guaranteed loan is to be used for:

1. working capital; or

2. equipment needed to perform the contract, the cost of which can be repaid from contract proceeds, if the Authority has entered into an agreement with the applicant to secure the loan or guaranty.

(2) A guaranty made by the Authority may not exceed the term of the contract, unless the Authority determines that a longer term better serves the purposes of this subtitle.

(b) (1) The Authority may use the Fund to guarantee a person's proposed equity investment in the applicant only if:

(i) the applicant meets the requirements of this part;

(ii) the amount of the equity investment to be guaranteed does not exceed the lesser of:

1. 10% of the person's equity investment in the applicant; or

2. $250,000;

(iii) the equity investment to be guaranteed is to be used to perform a contract for which the majority of funding is provided by the federal government, a state government, a local government, or a utility regulated by the Public Service Commission; and

(iv) the equity investment to be guaranteed is to be used for:

1. working capital; or

2. equipment needed to perform the contract, the cost of which can be repaid from contract proceeds, if the Authority has entered into an agreement with the applicant to secure the guaranty.

(2) The Authority may not guarantee the equity investment of a person who:

(i) previously held an equity investment in the applicant;

(ii) previously participated in the management of the applicant; or

(iii) in any other manner is related to:

1. the applicant; or

2. any of the current stockholders, officers, or management personnel of the applicant.

(c) (1) The Authority may use the Fund to lend money to an applicant only if:

(i) the applicant meets the requirements of this part;

(ii) the applicant is unable to obtain money on reasonable terms through normal lending channels from another source;

(iii) the loan does not exceed $2,000,000;

(iv) the loan is to be used to perform a contract for which the majority of funding is provided by the federal government, a state government, a local government, or a utility regulated by the Public Service Commission; and

(v) the loan is to be used for:

1. working capital; or

2. equipment needed to perform the contract, if the contract proceeds can repay the cost of the equipment and if the Authority has entered into an agreement with the applicant to secure the loan.

(2) A loan that the Authority makes shall mature not later than the term of the contract, unless the Authority finds that a longer term better serves the purposes of this part.

(d) In providing financial assistance under this section, the Authority shall recognize the need to serve applicants from all political subdivisions in the State.

§5–526.

(a) If the applicant is an individual, to qualify for financial assistance under this part the applicant shall satisfy the Authority that:

(1) the applicant is of good moral character;

(2) the applicant has a reputation for financial responsibility, as determined from creditors, employers, and other individuals who have personal knowledge of the applicant;

(3) the applicant is a resident of the State or the principal place of business of the applicant is in the State; and

(4) the applicant is unable to obtain adequate business financing on reasonable terms through normal lending channels because the applicant:

(i) belongs to a group that historically has been deprived of access to normal economic or financial resources because of race, color, creed, sex, religion, or national origin;

(ii) has an identifiable physical handicap that severely limits the ability of the applicant to obtain financial assistance, but that does not limit the ability of the applicant to perform the contract or other activity for which the applicant would be receiving financial assistance;

(iii) has any other social or economic impediment that is beyond the control of the applicant but that does not limit the ability of the applicant to perform the contract or other activity for which the applicant would be receiving financial assistance, including:

1. the lack of formal education or financial capacity; or

2. geographical or regional economic distress; or

(iv) does not meet the established credit criteria of at least one financial institution.

(b) If the applicant is a business enterprise that is not a sole proprietorship, to qualify for financial assistance under this part at least 70% of the business enterprise shall be owned by individuals who meet the qualifications for an individual applicant under subsection (a) of this section.

(c) An applicant for a loan guaranty shall have applied for and been denied a loan by a financial institution.

§5–527.

(a) To apply for financial assistance from the Fund under § 5-525 of this subtitle, an applicant shall submit to the Authority an application on the form that the Authority provides.

(b) The application shall:

(1) describe the project in detail;

(2) itemize known and estimated costs;

(3) specify the total amount of investment required to perform the contract;

(4) specify the amount of funds available to the applicant without financial assistance from the Authority;

(5) specify the amount of financial assistance requested from the Authority;

(6) provide information that demonstrates the inability of the applicant to obtain adequate financing on reasonable terms through normal lending channels;

(7) provide information that demonstrates the financial status of the applicant, including:

(i) a current balance sheet;

(ii) a profit and loss statement; and

(iii) credit references; and

(8) contain any other relevant information that the Authority requires.

(c) The Authority may require an applicant to provide an audited balance sheet before the Authority approves or denies the application.

(d) The Authority may delegate the review and approval of the application information required under subsection (b)(1), (2), and (3) of this section to the Executive Director if an applicant meets all other requirements of this section.

§5–528.

(a) The Authority may set the terms and conditions for a loan guaranty made under § 5-525(a) of this subtitle.

(b) (1) If the Authority decides to lend money from the Fund to an applicant under § 5-525(c) of this subtitle, the Authority shall prepare loan documents that include:

(i) the interest rate on the loan that equals the market rate for a conventional loan of comparable risk unless the Authority determines that a lower rate better serves the purposes of this subtitle;

(ii) a disbursement schedule that provides enough money to the applicant when the applicant needs it to perform the contract;

(iii) a requirement that the applicant and the Authority co-sign each request for an advance of money before release of the money; and

(iv) provisions for repayment of the loan.

(2) The loan documents may include any other provision that the Authority determines is necessary to secure the loan, including an assignment of or a lien on payment under the contract.

§5–529.

The Treasurer shall report each year to the Authority on:

(1) the status of the money invested under § 5-521 of this subtitle;

(2) the market value of the assets in the Fund as of the date of the report; and

(3) the interest received from investments during the period covered by the report.

§5–530.

(a) A person may not knowingly make or cause to be made a false statement or report in an application or document submitted to the Authority under this part.

(b) A person may not knowingly make or cause to be made a false statement or report to influence an action of the Authority under this part:

(1) on an application for financial assistance; or

(2) affecting financial assistance whether or not the assistance has already been extended.

(c) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 5 years or a fine not exceeding $50,000 or both.

§5–533.

In this part, "Fund" means the Small Business Development Guaranty Fund.

§5–534.

There is a Small Business Development Guaranty Fund.

§5–535.

The Authority shall use the Fund to implement this part.

§5–536.

The Authority shall administer the Fund.

§5–537.

(a) The Fund is a special, nonlapsing fund that is not subject to reversion under § 7-302 of the State Finance and Procurement Article.

(b) The Treasurer shall:

(1) invest the money in the Fund in the same manner as other State money may be invested; and

(2) credit any investment earnings to the Fund.

(c) If the Authority determines by resolution that any money in the Fund is no longer needed to meet its obligations, the Authority may authorize the Comptroller to first apply that money to pay the principal of and interest on outstanding bonds issued under any Act authorizing the issue of State general obligation bonds issued to implement this subtitle.

§5–538.

The Fund consists of:

(1) loans and grants from the federal government or a unit or instrumentality of the federal government;

(2) grants and contributions of funds from the State, a political subdivision, or any other source;

(3) premiums for guaranteeing long-term loans under § 5-540 of this subtitle;

(4) proceeds from the sale, disposition, lease, or rental of collateral by the Authority relating to loans guaranteed under § 5-540 of this subtitle; and

(5) all other receipts of the Authority under this part.

§5–539.

The Authority may use the Fund for:

(1) guaranty payments made under § 5-540(a) of this subtitle;

(2) interest subsidy payments under § 5-540(b) of this subtitle; and

(3) expenses for administrative, legal, actuarial, and other services.

§5–540.

(a) (1) The Authority may use the Fund to guarantee up to 80% of the principal of and interest on a long-term loan made by a financial institution to an applicant only if:

(i) the applicant meets the requirements under § 5-541 of this subtitle and has not violated § 5-545 of this subtitle;

(ii) the loan amount is $5,000 or more and the maximum amount payable by the Authority under the guaranty does not exceed $2,000,000;

(iii) the loan is used for:

1. working capital;

2. refinancing the applicant's existing debt;

3. acquisition and installation of equipment;

4. making necessary improvements to real property that the applicant leases or owns in fee simple; or

5. acquiring real property that the applicant will own in fee simple if the property is to be used in the applicant's trade or business for which the guaranty is sought and the financial institution or the Authority places a lien on the property;

(iv) the loan matures within 10 years after the closing date of the loan; and

(v) the interest rate does not exceed the monthly weighted average of the prime lending rate prevailing in Baltimore City on unsecured commercial loans, plus 2%, as determined by the Authority.

(2) (i) The Authority may only approve a guaranty under this section if the Authority determines that the loan to be guaranteed will have a substantial economic impact.

(ii) To determine the economic impact of a loan, the Authority may consider:

1. the amount of the guaranty obligation;

2. the terms of the loan to be guaranteed;

3. the number of new jobs that the loan will create; and

4. any other factor that the Authority considers relevant.

(b) (1) In addition to a loan guaranty, the Authority may provide an interest subsidy for the benefit of the applicant.

(2) The subsidy:

(i) may be for the life of the loan;

(ii) may not exceed 4%;

(iii) shall be payable quarterly; and

(iv) shall be made to the financial institution that makes the loan that the Authority guarantees.

(3) (i) The subsidy may not exceed the difference between:

1. the interest rate on the guaranteed loan; and

2. the discount interest rate that the Federal Reserve Bank uses.

(ii) The interest rate may not exceed the monthly weighted average of the prime lending rate that prevails in Baltimore City on unsecured commercial loans, as the Authority determines as of the date of closing, plus 2%.

(4) The subsidy may not be paid during any period in which the loan is in default.

(c) In providing financial assistance under this section, the Authority shall recognize the need to serve applicants from all political subdivisions in the State.

§5–541.

(a) If the applicant is a sole proprietor, to qualify for financial assistance under this part the applicant shall satisfy the Authority that:

(1) the applicant is of good moral character;

(2) the applicant has a reputation for financial responsibility, as determined from creditors, employers, and other individuals who have personal knowledge of the applicant;

(3) the applicant is a resident of the State or the principal place of business of the applicant is in the State; and

(4) the applicant is unable to obtain adequate business financing on reasonable terms through normal lending channels because the applicant:

(i) belongs to a group that historically has been deprived of access to normal economic or financial resources because of race, color, creed, sex, religion, or national origin;

(ii) has an identifiable physical handicap that severely limits the ability of the applicant to obtain financial assistance, but that does not limit the ability of the applicant to perform the contract or other activity for which the applicant would be receiving financial assistance;

(iii) has any other social or economic impediment that is beyond the control of the applicant, but that does not limit the ability of the applicant to perform the contract or other activity for which the applicant would be receiving financial assistance, including:

1. the lack of formal education or financial capacity; or

2. geographical or regional economic distress; or

(iv) does not meet the established credit criteria of at least one financial institution.

(b) If the applicant is not a sole proprietorship, to qualify for financial assistance under this part at least 70% of the business enterprise shall be owned by individuals who meet the qualifications for an individual applicant under subsection (a) of this section.

(c) An applicant for a loan guaranty shall have applied for and been denied a loan by a financial institution.

§5–542.

(a) To apply for financial assistance from the Fund, a financial institution shall submit to the Authority an application on the form that the Authority provides.

(b) The application shall include:

(1) a detailed description of the proposed use of the loan proceeds, including projected cash flow analyses, marketing plans, and appraisals;

(2) a detailed description of the funds available to the applicant;

(3) a detailed description of the proposed loan documents to be executed by the financial institution and the applicant;

(4) a detailed description of the property proposed as collateral for the loan and the financial institution's certification of the property's value;

(5) information that demonstrates the inability of the applicant to obtain adequate financing on reasonable terms through normal lending channels;

(6) information that demonstrates the financial status of the applicant, including:

(i) a current balance sheet;

(ii) a profit and loss statement; and

(iii) credit references;

(7) a proposed disbursement schedule;

(8) a proposed amortization schedule;

(9) a detailed description of the applicant's experience in the trade or business for which the loan and guarantee are requested;

(10) information that shows that the applicant satisfies the requirements of § 5-541 of this subtitle; and

(11) any other relevant information that the Authority requests.

(c) The Authority may require an applicant to provide an audit report and balance sheet certified by an independent certified public accountant in accordance with generally accepted accounting principles before the Authority approves or denies the application.

§5–543.

A guaranty shall contain terms and conditions that the Authority determines to be appropriate.

§5–544.

The Treasurer shall report each year to the Authority on:

(1) the status of the money invested under § 5-537 of this subtitle;

(2) the market value of the assets in the Fund as of the date of the report; and

(3) the interest received from investments during the period covered by the report.

§5–545.

(a) A person may not knowingly make or cause to be made a false statement or report in an application or document submitted to the Authority under this part.

(b) A person may not knowingly make or cause to be made a false statement or report to influence an action of the Authority under this part:

(1) on an application for financial assistance; or

(2) affecting financial assistance whether or not the assistance has already been extended.

(c) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 5 years or a fine not exceeding $50,000 or both.

§5–546.

If an applicant or financial institution violates any provision of the loan documents or ceases to meet the requirements of this part, on reasonable notice to the applicant or financial institution, the Authority may:

(1) withhold from the applicant further loan payments until the applicant complies with the documents or requirements;

(2) withhold from the financial institution further interest subsidy payments until the financial institution complies with the loan documents or requirements; and

(3) exercise any other remedy for which the loan documents provide.

§5–549.

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

(b) (1) "Enterprise" means a business entity proposing to carry on a business in the State that meets the requirements of § 5–526 of this subtitle.

(2) "Enterprise" includes:

(i) a sole proprietorship;

(ii) a partnership;

(iii) a limited partnership;

(iv) a corporation; or

(v) a joint venture.

(c) "Equity participation financing" includes investment or guaranty of investment in an enterprise.

(d) "Existing business" means a business whose board of directors or owners approve the sale of the business to an enterprise receiving equity participation financing.

(e) "Fund" means the Equity Participation Investment Program Fund.

(f) "Program" means the Equity Participation Investment Program.

(g) "Qualified security" means:

(1) a note, bond, debenture, or other evidence of indebtedness;

(2) stock or other form of equity participation;

(3) a certificate of interest or participation in a profit–sharing agreement;

(4) an investment contract;

(5) a certificate of deposit for a security;

(6) a certificate of interest or participation in a patent or patent application or in royalty or other payments under a patent or patent application; or

(7) an interest or instrument commonly known as a "security" or a certificate for, receipt for, guaranty of, or option, warrant, or right to subscribe to or purchase a qualified security.

(h) "Small business" means a business that is classified as a small business under the U.S. Small Business Administration size standards.

§5–550.

(a) The General Assembly finds that:

(1) small businesses have proven to be a fast growing and reliable form of successful business expansion and successful new business creation;

(2) small businesses play a major role in the economy of the State and have been a continuing source of increasing tax revenues and job opportunities;

(3) the growth of small businesses should be encouraged and should be an integral part of the State's economic development effort;

(4) socially or economically disadvantaged individuals often lack adequate capital and are unable to obtain financing from financial institutions or venture capital firms to begin and develop a small business, or to purchase an existing business; and

(5) promoting the creation and viability of small businesses and the purchase of existing businesses by socially or economically disadvantaged individuals is in the public interest.

(b) The purposes of the Equity Participation Investment Program are to:

(1) encourage and help socially or economically disadvantaged individuals to create and develop small businesses and acquire existing businesses in the State; and

(2) assist small businesses that, because they do not meet the established credit criteria of financial institutions, cannot obtain adequate business financing on reasonable terms through normal financing channels.

§5–551.

There is an Equity Participation Investment Program in the Department.

§5–552.

The Authority shall administer the Program.

§5–553.

The Authority may:

(1) provide equity participation financing to help socially or economically disadvantaged individuals in the State create and develop small businesses and acquire existing businesses;

(2) buy, hold, and sell qualified securities;

(3) prepare, publish, and distribute technical studies, reports, and other materials with or without charge; and

(4) provide and pay for advisory services and technical assistance that are necessary or desirable to carry out the Program.

§5–554.

There is an Equity Participation Investment Program Fund.

§5–555.

(a) The Authority shall administer the Fund.

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

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

(c) The Fund consists of:

(1) money drawn from the Small Business Development Guaranty Fund established under Part IV of this subtitle;

(2) money the State appropriates to the Fund;

(3) money made available to the Fund through federal programs or private contributions;

(4) proceeds from the sale, disposition, lease, or rental by the Authority of

collateral related to equity participation financing;

(5) premiums, fees, royalties, and repayments of principal, interest, and investments paid by and on behalf of enterprises to the Authority under the terms of equity participation financing; and

(6) any other money made available under the Program.

(d) The Authority shall use the Fund to:

(1) purchase qualified securities that an enterprise issues to provide equity participation financing as the Program allows;

(2) provide guaranties of investments to expand the capital resources of enterprises;

(3) purchase advisory services and technical assistance consistent with the Program;

(4) purchase securities in which a fiduciary of the State may lawfully invest;

(5) provide equity participation financing as the Program allows; and

(6) pay for administrative, legal, and actuarial services that relate to the Program.

(e) The Fund shall be self–sustaining and shall achieve investment returns on its portfolio in the form of:

(1) royalties from enterprises in amounts to be determined by the Authority; and

(2) interest payments from any debt securities.

(f) As needed for the Program, the Authority may withdraw from time to time up to a total of $2,000,000 from the Small Business Development Guaranty Fund and deposit the withdrawal into the Fund.

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

(2) Any investment earnings of the Fund shall be paid into the Fund.

(h) In accordance with § 2.5–109 of this article, the Authority shall submit a report on the Program.

§5–556.

(a) The Authority may provide equity participation financing under the Program only after the enterprise submits an application that contains a business plan that meets the requirements of subsection (b) of this section.

(b) The business plan of an enterprise shall include:

(1) a description of the small business or existing business and its management, product, and market;

(2) a statement of the amount, immediacy of need, and projected use of the capital required;

(3) a statement of the potential economic impact of the purchase;

(4) information that relates to the satisfaction of the applicant's requirements of § 5–557(d) and (e) of this subtitle; and

(5) any other information the Authority requires.

§5–557.

(a) (1) Under the Program the Authority may not:

(i) own securities representing more than 49% of the voting stock of a small business or own an interest greater than 49% in a small business; or

(ii) own securities representing more than 49% of the voting stock of an enterprise acquiring an existing business or own an interest greater than 49% in an enterprise acquiring an existing business.

(2) The amount of the Authority's equity participation financing in an enterprise may not exceed $2,000,000.

(3) Before providing equity participation financing, the Authority shall find that there is a reasonable probability that the Authority will recover its initial investment and an adequate return on investment from the equity participation financing.

(4) The Authority's investment shall be recoverable within 7 years after the equity participation financing.

(5) The Authority's recovery shall be the greater of:

(i) the current value of the percentage of the equity investment in the enterprise; or

(ii) the amount of the initial investment in the enterprise.

(6) If there is a dispute between the borrower and the Authority as to the value of the business entity at the time of recovery, the value shall be determined after obtaining at least one independent appraisal of the value from an appraiser selected from a list of at least three appraisers supplied by the Authority.

(b) When an enterprise applies to the Authority for equity participation financing to acquire an existing business, an enterprise or its principals shall have:

(1) an equity investment equal to at least 5% of the total cost of acquisition; and

(2) at least 3 years of successful experience with demonstrated achievements and management responsibilities.

(c) The Authority may provide equity participation financing for the acquisition of an existing business if the existing business:

(1) has been in existence for at least 5 years;

(2) has been profitable for at least 2 of the previous 3 years;

(3) has sufficient cash flow to service the debt and ensure adequate return of the Authority's investment;

(4) has the capacity for growth and job creation;

(5) has its principal place of business in the State; and

(6) has a strong customer base.

(d) If the applicant enterprise is a sole proprietorship, to qualify for financial assistance under this part, the applicant shall satisfy the Authority that:

(1) the applicant is of good moral character;

(2) the applicant has a reputation for financial responsibility, as determined from creditors, employers, and other individuals who have personal knowledge of the applicant;

(3) the applicant is a resident of the State or the principal place of business of the applicant is in the State; and

(4) the applicant is unable to obtain adequate business financing on reasonable terms through normal lending channels because the applicant:

(i) belongs to a group that historically has been deprived of access to normal economic or financial resources because of race, color, creed, sex, religion, or national origin;

(ii) has an identifiable physical handicap that severely limits the ability of the applicant to obtain financial assistance, but that does not limit the ability of the applicant to perform the contract or other activity for which the applicant would be receiving financial assistance;

(iii) has any other social or economic impediment that is beyond the control of the applicant, but that does not limit the ability of the applicant to perform the contract or other activity for which the applicant would be receiving financial assistance, including:

1. the lack of formal education or financial capacity; or

2. geographical or regional economic distress; or

(iv) does not meet the established credit or investment criteria of at least one financial institution.

(e) If the applicant enterprise is not a sole proprietorship, to qualify for financial assistance under this part, at least 51% of the enterprise shall be owned by individuals who meet the qualifications for applicants under subsection (d) of this section.

§5–558.

The liability of the State and of the Authority in providing equity participation financing is limited to investments under the Program.

§5–561.

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

(b) "Fund" means the Small Business Surety Bond Fund.

(c) "Principal" means a small business entity that has assets, income, or employees that do not exceed limits that the Authority sets by regulation.

(d) "Program" means the Small Business Surety Bond Program.

§5–562.

There is a Small Business Surety Bond Fund.

§5–563.

(a) (1) The Fund is a special, nonlapsing fund that is not subject to reversion under § 7-302 of the State Finance and Procurement Article.

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

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

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

§5–564.

The Fund consists of:

(1) money the State appropriates to the Fund;

(2) premiums, fees, and any other amounts the Authority receives with respect to bonding assistance it provides;

(3) proceeds the Authority designates from the sale, lease, or other disposition of property or contracts the Authority holds or acquires; and

(4) any other money available under the Program.

§5–565.

The Fund shall be used:

(1) for the purposes described in the Program; and

(2) to pay expenses of the Authority in administering the Program.

§5–566.

In administering the Program, the Authority may:

(1) use the services of other governmental units;

(2) contract for and accept loans and grants from the federal government, the State government, or a local government and their units; and

(3) on the terms and conditions it considers advisable:

(i) acquire, manage, operate, dispose of, or otherwise deal with property;

(ii) take assignments of rentals and leases; and

(iii) make contracts, leases, agreements, and arrangements that are necessary or incidental to the performance of its duties.

§5–567.

The Authority may:

(1) prescribe or approve the form of and terms and conditions in applications, guaranty agreements, or any other documents entered into by the Authority, principals, or sureties under the Program;

(2) acquire or take assignments of documents executed, obtained, or delivered in connection with any assistance the Authority provides under the Program;

(3) set and collect premiums, fees, charges, costs, and expenses in connection with any assistance the Authority provides under the Program;

(4) adopt regulations to carry out the Program; and

(5) do anything necessary or convenient to carry out its powers and the purposes of the Program.

§5–568.

(a) The Authority may guarantee a surety up to the lesser of 90% or $2,250,000 of its loss under a bid bond, payment bond, or performance bond on a contract financed by the federal government, a state government, a local government, a private entity, or a utility that the Public Service Commission regulates.

(b) The term of a guaranty under this part may not exceed the contract term, including:

(1) the maintenance or warranty period required by the contract; and

(2) the period during which the surety may be liable for latent defects.

(c) The Authority may vary the terms and conditions of a guaranty based on:

(1) the Authority's history of experience with a surety; and

(2) any other factor the Authority considers relevant.

§5–569.

(a) The Authority may execute and perform a bid bond, performance bond, and payment bond as a surety for the benefit of a principal in connection with a contract financed by the federal government or a state government, a local government, a private entity, or a utility regulated by the Public Service Commission.

(b) (1) This subsection does not apply if the sources of funding for the bonds are grants.

(2) The bonds may not exceed $2,500,000 each.

(c) Bonds are subject to the approval of the Authority based on the bond worthiness of the principal.

§5–570.

(a) The Authority may only approve a guaranty or a bond under this part if the Authority determines that the contract, for which a bond is sought to be guaranteed or issued, will have a substantial economic impact.

(b) To determine the economic impact of a contract, the Authority may consider:

(1) the amount of the guaranty obligation;

(2) the terms of the bond to be guaranteed;

(3) the number of new jobs that the contract to be bonded will create; and

(4) any other factor that the Authority considers relevant.

§5–571.

The Authority may establish a surety bonding line to issue or guarantee multiple bonds to a principal within preapproved terms, conditions, and limitations.

§5–572.

(a) To qualify for financial assistance under this part the principal shall satisfy the Authority that the principal:

(1) is of good moral character or is owned by individuals of good moral character;

(2) as determined from creditors, employers, and other individuals who have personal knowledge, is an individual with a reputation for financial responsibility or is owned by individuals, a majority of whom have a reputation for financial responsibility;

(3) is a resident of the State or the principal place of business of the applicant is in the State; and

(4) is unable to obtain adequate bonding on reasonable terms through normal channels.

(b) To qualify for financial assistance under this part the principal shall certify to the Authority, and the Authority shall be satisfied, that:

(1) a bond is required to bid on a contract or to serve as prime contractor or subcontractor;

(2) a bond cannot be obtained on reasonable terms and conditions without assistance from the Program; and

(3) the principal will not subcontract more than 75% of the monetary value of the contract.

§5–573.

(a) To apply for financial assistance from the Program under this part, a principal and, if applicable, a surety shall submit to the Authority an application on the form that the Authority provides.

(b) The application shall include:

(1) a detailed description of the project;

(2) an itemization of known and estimated costs;

(3) the total investment required to perform the contract;

(4) the working capital available to the principal;

(5) the bonding assistance sought;

(6) information that demonstrates the inability of the principal to obtain adequate bonding on reasonable terms and conditions through normal channels without assistance from the Program;

(7) a current balance sheet, a profit and loss statement, and credit references about the financial status of the principal;

(8) a schedule of the status of existing and pending contracts; and

(9) any other relevant information the Authority requests.

(c) The Authority may require an applicant to provide an audited balance sheet before the Authority approves or denies the application.

(d) The Authority may not approve a guaranty or bond under this part for a principal that has defaulted on a loan or guaranty from the Authority unless:

(1) 2 years have passed since the time of the default; and

(2) the principal has cured any default in any financing program administered by the Department.

§5–574.

(a) In its sole discretion, the Authority may set:

(1) the premiums and fees for providing bonding assistance under the Program; and

(2) the terms and conditions when the premiums and fees are payable.

(b) The premiums and fees may vary in amount among transactions and at different stages of a transaction.

(c) A determination by the Authority on premiums and fees remains effective for as long as the bonding assistance provided by the Authority is in effect.

§5–575.

(a) A person may not knowingly make or cause to be made a false statement or report in an application or document submitted to the Authority under this part.

(b) A person may not knowingly make or cause to be made a false statement or report to influence an action of the Authority under this part:

(1) on an application for assistance; or

(2) affecting bonding assistance whether or not the assistance has been extended.

(c) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 6 months or a fine not exceeding $1,000 or both.

§5–701.

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

(b) "Area" means a geographic area in one or more political subdivisions in the State described by a closed perimeter boundary.

(c) "Business entity" means a person that operates or conducts a trade or business.

(d) "Enterprise zone" means an area:

(1) that meets the requirements of § 5-704(a) of this subtitle and is designated as an enterprise zone by the Secretary under § 5-704(b) of this subtitle;

(2) designated as an enterprise zone by the United States government under 42 U.S.C. §§ 11501 through 11505; or

(3) designated as an empowerment zone or enterprise community by the United States government under 26 U.S.C. §§ 1391 through 1397F.

(e) "Focus area" means an area that meets the requirements of § 5-706 of this subtitle and is designated as a focus area by the Secretary under § 5-706 of this subtitle.

(f) "Political subdivision" means a county or municipal corporation.

(g) "Submission date" means April 15 or October 15.

§5–702.

Subject to § 9-103 of the Tax - Property Article, a business entity that owns, operates, develops, constructs, or rehabilitates property intended for use primarily as single or multifamily residential property located in an enterprise zone may not benefit from an incentive or initiative under this subtitle.

§5–703.

(a) The following political subdivisions may apply to the Secretary to designate an enterprise zone:

(1) a political subdivision for an area within that political subdivision;

(2) with the prior consent of the municipal corporation, a county on behalf of a municipal corporation for an area in the municipal corporation; or

(3) two or more political subdivisions jointly for an area astride their common boundaries.

(b) The application shall:

(1) be in the form and manner and contain the information that the Secretary requires by regulation;

(2) contain sufficient information to allow the Secretary to determine if the proposed enterprise zone meets the criteria in § 5-704 of this subtitle;

(3) be submitted for a political subdivision by its chief elected officer, or if none, its governing body;

(4) state whether the political subdivision has examined the feasibility of creating educational or training opportunities for employers and employees of business entities located or to be located in the proposed enterprise zone; and

(5) state the standards established by the political subdivision that a business entity shall meet before receiving the incentives and initiatives under § 5-707 of this subtitle.

§5–704.

(a) (1) The Secretary may only designate an area as an enterprise zone if the area:

(i) is in a priority funding area or meets an exception under Title 5,

Subtitle 7B of the State Finance and Procurement Article; and

(ii) satisfies at least one of the requirements specified in paragraph (2) of this subsection.

(2) An area may be designated as an enterprise zone if:

(i) the average rate of unemployment in the area, or within a reasonable proximity to the area but in the same county, for the most recent 18-month period for which data are available is at least 150% of the greater of the average rate of unemployment in either the State or the United States during that period;

(ii) the population in the area, or within a reasonable proximity to the area but in the same county, qualifies the area as a low-income poverty area;

(iii) at least 70% of the families in the area, or within a reasonable proximity to the area but in the same county, have incomes that are less than 80% of the median family income in the political subdivision that contains the area; or

(iv) the population in the area, or within a reasonable proximity to the area but in the same county, decreased by 10% between the most recent two censuses, and the political subdivision can demonstrate to the Secretary's satisfaction that:

1. chronic abandonment or demolition of property is occurring in the area; or

2. substantial property tax arrearages exist in the area.

(3) (i) In determining if an area meets the requirements of this subsection, the Secretary may consider the most recent census data provided by the United States Bureau of the Census or any other reliable data that is acceptable to the Secretary.

(ii) Before considering data other than the most recent census in making a determination under paragraph (2)(ii) of this subsection, the Secretary shall adopt regulations specifying alternative data that are satisfactory to the Secretary.

(4) The Secretary may establish by regulation any other requirements necessary and appropriate to carry out this subtitle.

(5) Before designating an enterprise zone, the Secretary shall consult with the appropriate advisors.

(b) (1) Within 60 days after a submission date, the Secretary may designate one or more enterprise zones from among the areas described in the applications timely submitted.

(2) The designation of an area as an enterprise zone is effective for 10

years.

(3) The Secretary may not designate more than six enterprise zones in a calendar year.

(4) A county may not receive more than two enterprise zones in a calendar year.

(c) The designation of the Secretary is final.

(d) At any time, a political subdivision may reapply to the Secretary to designate as an enterprise zone an area that is not designated.

§5–705.

(a) (1) A political subdivision may apply to the Secretary to expand an existing enterprise zone in the same manner as the political subdivision would apply to designate a new enterprise zone.

(2) The Secretary may grant an expansion of an enterprise zone into an area that meets the requirements of § 5-704 of this subtitle.

(3) For purposes of § 5-704(b) of this subtitle, an expansion of an enterprise zone that does not exceed 50% of the existing geographic area of the enterprise zone does not count towards the limit on the number of enterprise zones that:

(i) the Secretary may designate in a calendar year; or

(ii) a county may receive in a calendar year.

(b) (1) The Secretary may grant one extraordinary expansion of an enterprise zone in the State each calendar year for an area that:

(i) meets the requirements of § 5-704 of this subtitle; and

(ii) in the determination of the Secretary, has suffered a significant loss of economic base.

(2) For purposes of § 5-704(b) of this subtitle, an extraordinary expansion of an enterprise zone does not count towards the limit on the number of enterprise zones that:

(i) the Secretary may designate in a calendar year; or

(ii) a county may receive in a calendar year.

§5–706.

(a) A political subdivision may request the Secretary to designate all or part of

an enterprise zone as a focus area for the lesser of:

(1) 5 years; or

(2) the remainder of the 10-year term of the applicable enterprise zone.

(b) The request may be made on or before a submission date when the political subdivision applies for the designation of a new enterprise zone or after the Secretary has designated an enterprise zone.

(c) The Secretary may grant the request if the area is located in an enterprise zone and meets at least three of the following criteria:

(1) the average unemployment rate in the area, or within a reasonable proximity to the area but in the same county, for the most recent 18-month period for which data are available is at least 150% of the greater of the average rate of unemployment in either the State or the United States during that same period;

(2) the population in the area, or within a reasonable proximity to the area but in the same county, has an incidence of poverty that is at least 150% of the national average;

(3) the crime rate in the area, or within a reasonable proximity to the area but in the same county, is at least 150% of the crime rate in the political subdivision where the area is located;

(4) the percentage of substandard housing in the area, or within a reasonable proximity to the area but in the same county, is at least 200% of the percentage of housing units in the State that are substandard, according to data from the United States Bureau of the Census or other State or federal government data the Secretary considers appropriate; or

(5) at least 20% of the square footage of commercial property in the area, or within a reasonable proximity to the area but within the same county, is vacant, according to data from the United States Bureau of the Census or other State or federal government data the Secretary considers appropriate.

§5–707.

(a) To the extent provided for in this section, a business entity is entitled to:

(1) the special property tax credit in § 9–103 of the Tax – Property Article;

(2) the income tax credits in § 10–702 of the Tax – General Article; and

(3) consideration for financial assistance from programs in Subtitle 1 of this title.

(b) A business entity that moves into or locates in an enterprise zone on or after the date that the enterprise zone is designated under § 5–704 of this subtitle may benefit from the incentives and initiatives in this section if:

(1) the business entity meets the requirements and conditions of the Code section applicable to each incentive or initiative;

(2) the respective political subdivision certifies that the business entity has complied with the standards that the subdivision submitted under § 5–703(b)(5) of this subtitle;

(3) the business entity creates new or additional jobs or makes a capital investment to qualify for the property tax credit under § 9–103 of the Tax – Property Article and the income tax credits under § 10–702 of the Tax – General Article; and

(4) in considering whether the business entity qualifies for financial assistance from the programs in Subtitle 1 of this title, the Secretary determines that the business entity will create new or additional jobs.

(c) The incentives and initiatives provided for in this section are not available to a business entity that:

(1) was in an enterprise zone before the date that the enterprise zone is designated, except for a capital investment or expansion of its labor force that occurs on or after the enterprise zone is designated; or

(2) is located in an enterprise zone that was designated under federal law unless the Secretary and the Board of Public Works consent to the designation.

(d) (1) Except as provided in § 10–702 of the Tax – General Article and § 9–103 of the Tax – Property Article, the incentives and initiatives set forth in this section are available for 10 years after the date that an area is designated an enterprise zone.

(2) A law enacted after the enactment of this section that eliminates or reduces the benefits available to a business entity under this section does not apply to a business entity that was in an enterprise zone before the effective date of the law.

(e) (1) (i) Notwithstanding subsection (d) of this section, except for a business entity certified to receive a property tax credit under § 9–103 of the Tax – Property Article for a tax year beginning before July 1, 2008, a business entity located in an enterprise zone may not receive the incentives and initiatives set forth in subsection (a)(1) and (2) of this section if the entity is located on land or within improvements owned by the federal government, the State, a county, or a municipal corporation unless the business entity has first utilized all applicable property tax exemptions under Title 7 of the Tax – Property Article, including entering into any available payment in lieu of tax agreement.

(ii) Subparagraph (i) of this paragraph does not apply to a business

entity leasing land or improvements owned by the Maryland Economic Development Corporation.

(2) Notwithstanding subsection (d) of this section, a business entity located in a BRAC Revitalization and Incentive Zone established under Subtitle 13 of this title may not receive the property tax credit under § 9–103 of the Tax – Property Article unless:

(i) the business entity qualified for the property tax credit before the date that the BRAC Revitalization and Incentive Zone is designated; or

(ii) the political subdivision where the business entity is located expressly grants the property tax credit to the business entity.

§5–708.

(a) An area that is designated an enterprize zone, empowerment zone, or enterprise community under federal law shall automatically be designated as an enterprise zone notwithstanding the limit on the number of enterprise zones that the Secretary may designate under § 5-704(b) of this subtitle.

(b) An application by a political subdivision and the designation by the Secretary of an area as an enterprise zone constitutes the State approval that may be required to designate an area as an enterprise zone under federal law.

§5–709.

(a) The Department and the Comptroller jointly shall assess each year the effectiveness of the tax credits provided to business entities in enterprise zones and focus areas in enterprise zones, including:

(1) the number and amounts of credits granted each year; and

(2) the success of the tax credits in attracting and retaining business entities in enterprise zones and focus areas.

(b) On or before December 15 of each year, the Department and the Comptroller shall submit to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly a report outlining the findings of the Department and the Comptroller and any other information of value in determining the effectiveness of the tax credits provided under § 5-707(b) of this subtitle.

§5–801.

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

(b) (1) "Private corporation" means a Maryland corporation organized to establish, operate, and maintain a foreign trade zone under the federal Foreign Trade

Zones Act.

(2) "Private corporation" does not include a public corporation.

(c) "Public corporation" means:

(1) the State;

(2) a subdivision of the State; or

(3) an incorporated public authority, commission, agency, or other corporate instrumentality of:

(i) the State;

(ii) a subdivision or municipal corporation of the State; or

(iii) the State and another state.

§5–802.

(a) Except as provided in subsection (b) of this section, a public corporation or a private corporation may apply to establish, operate, and maintain a foreign trade zone in accordance with the federal Foreign Trade Zones Act.

(b) A private corporation may not apply to establish, operate, and maintain a foreign trade zone without prior approval from the Governor and the Maryland Port Administration.

§5–803.

A public corporation or a private corporation that establishes, operates, and maintains a foreign trade zone under this subtitle is subject to the conditions of the federal Foreign Trade Zones Act.

§5–804.

A person that wishes to have a site in the State designated as a foreign trade zone shall apply for designation approval to the foreign trade zone grantee in the State that is closest to the site before applying to another foreign trade zone grantee in the State for designation approval.

§5–901.

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

(b) (1) "Dredged material" means material that is dredged from the Chesapeake Bay or its tributaries.

(2) "Dredged material" includes sand, silt, sediment, shell, rock, soil, and waste matter.

(c) "Dredged material reuse facility" means a facility that dewaters, analyzes for contaminants, dries, and processes dredged material for reuse.

(d) "Program" means the Dredged Material Disposal Alternatives Program under this subtitle.

(e) "Reuse" means the recycling of dredged material for use in another product, including commercial and industrial uses.

§5–902.

There is a Dredged Material Disposal Alternatives Program in the Department.

§5–903.

(a) The purposes of the Program are to:

(1) designate innovative reuses of dredged material as a sustainable alternative in the management of dredged material disposal; and

(2) provide financial assistance for the production and marketing of technologies that dewater, analyze for contaminants, dry, and process dredged material for reuse in an economically beneficial manner.

(b) The goals of the Program are to:

(1) implement the beneficial reuse of dredged materials as a sustainable dredged material management method;

(2) foster markets for end-use products that use dredged material as a resource;

(3) increase public awareness of the many valuable commercial and industrial uses of dredged material and products made using dredged material; and

(4) facilitate the reuse of at least 500,000 cubic yards of dredged material each year.

§5–904.

The Department shall adopt regulations to carry out this subtitle.

§5–905.

The Program shall:

(1) seek money from federal programs to administer the Program;

(2) engage in public-private partnerships and provide financial assistance to foster the development, construction, and operation of dredged material reuse facilities in the State in an economically beneficial manner;

(3) provide financial assistance to develop end-use markets for dredged material; and

(4) promote the reuse of dredged material and market resulting products.

§5–906.

Financial assistance from the Program may be in the form of a loan or grant, as provided in regulations of the Department.

§5–907.

(a) The Program is contingent on the allocation of money in the State budget to the Maryland Department of Transportation.

(b) In accordance with the State budget, the Maryland Department of Transportation shall allocate money for the Program from the Transportation Trust Fund after elements of a long-term plan for managing dredged material, in accordance with §§ 5-1102(d)(2)(ii) and 5-1104.2(d) of the Environment Article:

(1) are operational; and

(2) provide 20 years of placement capacity.

§5–1001.

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

(b) "Fund" means the Military Personnel and Veteran–Owned Small Business No–Interest Loan Fund established under § 5–1006 of this subtitle.

(c) "Service–disabled veteran" means a veteran with a disability that is service–connected, as defined in 38 U.S.C. § 101(16).

(d) (1) "Small business employer" means an employer who employed an average of 50 or fewer employees on business days during the calendar year preceding the determination of eligibility for a loan under this subtitle.

(2) For purposes of paragraph (1) of this subsection, all persons treated as a single employer under § 414(b), (c), (m), or (o) of the Internal Revenue Code shall be treated as a single employer under this subtitle.

(e) "Veteran–owned small business" means a small business that is at least 51%

owned by a veteran as defined in 38 U.S.C. § 101(2).

§5–1002.

(a) Subject to the availability of funds, the Department, in consultation with the Department of Veterans Affairs, shall establish a program to provide no–interest loans under this subtitle to:

(1) small business employers of military reservists and National Guard personnel who are called to active duty;

(2) businesses owned by military reservists and National Guard personnel who are called to active duty;

(3) veteran–owned small businesses; and

(4) businesses employing a service–disabled veteran.

(b) If the availability of funds is limited, in making loans under this subtitle, the Department, in consultation with the Department of Veterans Affairs, shall give priority to the businesses described in subsection (a)(2) and (3) of this section.

(c) In making loans under this subtitle, the Department, in consultation with the Department of Veterans Affairs, shall take into consideration how to maximize the number of veterans, military reservists, and National Guard personnel who would benefit from loans made under this subtitle.

§5–1003.

Loans shall be made under this subtitle for the purposes of:

(1) providing financial support to:

(i) a business owned by a military reservist or National Guard member who is called to active duty; or

(ii) a small business employer of a military reservist or National Guard member who is called to active duty;

(2) making the home, motor vehicle, or place of employment of a veteran accessible to individuals with disabilities, including purchasing equipment necessary to enable a business to employ a service–disabled veteran or to enable a service–disabled veteran to operate a business; and

(3) defraying other necessary expenses, as determined by the Department of Veterans Affairs, incurred by:

(i) a business employing a service–disabled veteran; or

(ii) a veteran–owned small business.

§5–1004.

(a) A loan made under this subtitle for the purpose of providing financial support to a business owned by an individual who is called to active duty or to a small business employer of an individual who is called to active duty:

(1) may be made at any time from the individual's receipt of orders to report to 6 months after the end of the individual's active duty; and

(2) shall be subject to criteria for eligibility and priority established by the Department of Veterans Affairs, including the extent to which the individual who is called to active duty is an essential employee of the business.

(b) A loan made under this subtitle for the purpose of making accessible to individuals with disabilities the home, motor vehicle, or place of employment of a service-disabled veteran may be made at any time.

§5–1005.

(a) The Department shall administer the loan program authorized under this subtitle.

(b) The Department of Veterans Affairs shall establish eligibility criteria for loans under this subtitle.

§5–1006.

(a) There is a Military Personnel and Veteran–Owned Small Business No–Interest Loan Fund.

(b) The purpose of the Fund is to provide no–interest loans consistent with this subtitle.

(c) The Secretary shall administer the Fund.

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

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

(3) Any investment earnings of the Fund shall be credited to the Fund.

(e) The Fund consists of:

(1) money the State appropriates to the Fund;

(2) money made available to the Fund through federal programs or private contributions;

(3) repayments from loans provided by the Department under this subtitle;

(4) proceeds from the sale, disposition, lease, or rental of collateral related to loans provided by the Department under this subtitle; and

(5) any other money made available to the Fund.

(f) The Department may use money in the Fund to provide loans to eligible applicants under §§ 5–1002 through 5–1004 of this subtitle.

§5–1007.

(a) The Department shall adopt regulations to carry out this subtitle.

(b) The Department of Veterans Affairs may adopt regulations concerning eligibility criteria for loans under this subtitle.

§5–1101. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2020 PER CHAPTER 269 OF 2006 //

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

(b) "Board" means the Maryland Rural Broadband Coordination Board established under Title 13, Subtitle 5 of this article.

(c) "Fund" means the Rural Broadband Assistance Fund established under § 5–1102 of this subtitle.

§5–1102. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2020 PER CHAPTER 269 OF 2006 //

(a) There is a Rural Broadband Assistance Fund in the Department.

(b) The purpose of the Fund is to assist in the establishment of broadband communication services in rural and underserved areas of the State.

(c) The Department shall administer the Fund.

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

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

(e) The Fund consists of:

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

(2) money appropriated in the State budget to the Maryland Economic Development Assistance Fund under Subtitle 3 of this title for the purpose of assisting in the establishment of broadband communication services in rural and underserved areas of the State;

(3) federal money allocated or granted to the Fund; and

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

(f) The Fund may be used only for planning, construction, and maintenance of broadband communication services and equipment in rural and underserved areas and related activities.

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

(2) Any investment earnings of the Fund shall be credited to the General Fund of the State.

(h) The Department shall make payments from the Fund within 30 days after notice of a decision of the Board under § 13–504(3) of this article.

§5–1201.

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

(b) "Fund" means the Maryland Not–For–Profit Development Center Program Fund established under § 5–1204 of this subtitle.

(c) "Not–for–profit entity" means a corporation incorporated in the State, or otherwise qualified to do business in the State, that has been determined by the Internal Revenue Service to be exempt from taxation under § 501(c)(3), (4), or (6) of the Internal Revenue Code.

(d) "Program" means the Maryland Not–For–Profit Development Center Program established under § 5–1202 of this subtitle.

(e) "Qualifying not–for–profit entity" means a not–for–profit entity:

(1) that has annual revenues not greater than $750,000;

(2) that has been in existence for not more than 10 years; and

(3) whose principal purpose is providing health, education, environmental, agricultural, or social services through community–based programs.

§5–1202.

(a) There is a Maryland Not–For–Profit Development Center Program in the Department.

(b) The Program shall foster, support, and assist the economic growth and revitalization of qualifying not–for–profit entities in the State by providing training and technical assistance services.

§5–1203.

The Program shall provide assistance to qualifying not–for–profit entities, including:

(1) operation of an information exchange governing current and new technical information and data about all aspects of not–for–profit management, including:

(i) not–for–profit start–up;

(ii) budgeting and financial management;

(iii) facilities development and management;

(iv) board development;

(v) organizational development and strategic planning;

(vi) marketing;

(vii) federal and State contracting and grant making;

(viii) individual, corporate, and foundation fund–raising;

(ix) volunteer management;

(x) personnel management;

(xi) federal and State tax law and regulations;

(xii) federal and State law and regulations governing charitable solicitations;

(xiii) federal and State regulations applicable to licensing or accreditation;

(xiv) federal and State financing programs; and

(xv) information technology; and

(2) individual consultation and technical assistance to any qualifying not–for–profit entity that requests the service, including assistance on any of the subjects identified in item (1) of this section.

§5–1204.

(a) (1) There is a Maryland Not–For–Profit Development Center Program Fund in the Department.

(2) The Fund is a special, nonlapsing fund that is not subject to reversion under § 7–302 of the State Finance and Procurement Article.

(3) The Fund consists of:

(i) money appropriated in the State budget to the Fund; and

(ii) all other money accepted for the benefit of the Fund, including an additional $50 fee to be paid for the processing of articles of incorporation of a nonstock corporation in accordance with § 1–203 of the Corporations and Associations Article.

(b) (1) The purpose of the Fund is to provide grant money to support the operations of the Program consistent with this subtitle.

(2) As provided in the State budget, the Fund also may be used by the Department of General Services to evaluate the participation of not–for–profit entities in State procurement.

§5–1205.

(a) The Department shall designate at least one private not–for–profit entity to receive grants from the Maryland Not–For–Profit Development Center Program Fund to implement the Program.

(b) In selecting a designee, the Department shall consider and give priority to organizations that:

(1) have experience in providing the scope of assistance and services required under § 5–1203 of this subtitle to qualifying not–for–profit entities in the State;

(2) demonstrate the capacity to provide the assistance and services required under § 5–1203 of this subtitle on a statewide basis; and

(3) demonstrate current expenditures that:

(i) are equal to at least three times the amount of funding received under this section; and

(ii) have been received from other sources for the provision of

assistance and services of the type required under § 5–1203 of this subtitle to not–for–profit entities in the State.

§5–1301.

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

(b) "Area" means a geographic area within one or more political subdivisions within the State described by a closed perimeter boundary.

(c) "BRAC Revitalization and Incentive Zone" means an area that:

(1) meets the requirements of § 5–1303 of this subtitle; and

(2) is designated as a BRAC Revitalization and Incentive Zone by the Secretary under § 5–1304 of this subtitle.

(d) "Enterprise zone" has the meaning stated in § 5–701 of this title.

(e) "Political subdivision" means any county or municipal corporation.

(f) "Submission date" means the date the Secretary receives an application from a political subdivision for designation of a BRAC Revitalization and Incentive Zone.

(g) "Tax increment financing bonds" means bonds issued by:

(1) a political subdivision under Title 12, Subtitle 2 of this article; or

(2) Baltimore City under Article II, § 62 of the Charter of Baltimore City.

§5–1302.

(a) The following political subdivisions may apply to the Secretary to designate a BRAC Revitalization and Incentive Zone:

(1) a political subdivision for an area within that political subdivision;

(2) with the prior consent of the municipal corporation, a county on behalf of a municipal corporation for an area in the municipal corporation; or

(3) two or more political subdivisions jointly for an area astride their common boundaries.

(b) The application shall:

(1) be in the form and manner and contain the information that the Secretary requires;

(2) contain sufficient information to allow the Secretary to determine if

the proposed BRAC Revitalization and Incentive Zone meets the criteria in § 5–1303 of this subtitle;

(3) be submitted for a political subdivision by its chief elected officer, or if none, its governing body; and

(4) state whether the political subdivision has examined the feasibility of creating educational or training opportunities for employers and employees of business entities located or to be located in the proposed BRAC Revitalization and Incentive Zone.

(c) After the Secretary's receipt of an application for designation of an area as a BRAC Revitalization and Incentive Zone or expansion of an existing zone under § 5–1305 of this subtitle, the Secretary shall notify the members of the county delegation to the General Assembly for each county in which a zone is proposed to be located.

§5–1303.

(a) The Secretary may only designate an area as a BRAC Revitalization and Incentive Zone if the area:

(1) is located within a priority funding area as defined by Title 5, Subtitle 7B of the State Finance and Procurement Article;

(2) is served by a public or community water and sewer system or planned to be served by a public or community water and sewer system under the approved 10–year water and sewer plan;

(3) is designated for mixed use development that includes residential uses as part of the mix of land uses by the political subdivision; and

(4) has an average density of at least 3.5 units per acre, calculated in accordance with § 5–7B–03 of the State Finance and Procurement Article, in that part of the area designated by the political subdivision for residential use or development.

(b) An area shall receive priority consideration for designation as a BRAC Revitalization and Incentive Zone under this section if the area is within one–half mile of a present or planned:

(1) MARC station along the Penn, Camden, or Brunswick lines;

(2) Baltimore Metro Subway station;

(3) Baltimore MTA Light Rail station; or

(4) Metrorail system station in the State.

(c) An area may receive priority consideration for designation as a BRAC

Revitalization and Incentive Zone under this section if the area is of strategic importance to the economic development interests of a county.

(d) The Secretary shall consider the following factors in determining whether to designate an area as a BRAC Revitalization and Incentive Zone:

(1) whether the area's designation as a BRAC Revitalization and Incentive Zone is consistent with the political subdivision's comprehensive plan;

(2) whether the area contains brownfields sites that are capable of redevelopment;

(3) whether the political subdivision has targeted the area for revitalization as provided for in the political subdivision's comprehensive plan or in another plan or ordinance;

(4) the relationship of the area to a BRAC installation or how the area is impacted by BRAC;

(5) the availability, cost, and condition of business facilities;

(6) the number and age of abandoned structures;

(7) the number and age of substandard structures;

(8) the income of residents relative to the State or regional median incomes, including the number of persons who receive public assistance or are unemployed;

(9) the extent of unemployment and the ability to upgrade the social and economic conditions of the area;

(10) the need for financing for small businesses to upgrade the social and economic conditions of the area;

(11) any plans and financial commitments of local jurisdictions to undertake improvements in the proposed area;

(12) a political subdivision's participation in revitalization activities including whether the area has been designated an enterprise zone;

(13) the presence of a special taxing district, a historic district listed on the National Register of Historic Places, or a local historic district;

(14) support from community or business organizations;

(15) other revitalization projects undertaken in the proposed area;

(16) a political subdivision's participation in workforce readiness programs;

(17) a political subdivision's participation in the creation of affordable and workforce housing options for residents;

(18) whether the political subdivision has acted to provide for the adequate protection and conservation of vital natural resource areas and agricultural areas within the political subdivision's comprehensive plan or in another local government plan or ordinance;

(19) the presence of sensitive areas, as defined in § 1–101 of the Land Use Article;

(20) a political subdivision's provision of a breadth of transportation options to improve accessibility and land use that supports transit ridership, walking, and bicycle use; and

(21) the fiscal impact of the designation of the BRAC Revitalization and Incentive Zone on the State.

§5–1304.

(a) (1) Within 60 days after a submission date, the Secretary, after receiving a recommendation of the Smart Growth Subcabinet, may designate one or more BRAC Revitalization and Incentive Zones from among the areas described in the applications timely submitted.

(2) The designation of an area as a BRAC Revitalization and Incentive Zone is effective for 10 years, beginning on the date the first property in the BRAC Revitalization and Incentive Zone becomes a qualified property, as defined in § 2–222 of the Tax – Property Article.

(3) The Secretary may not designate more than six BRAC Revitalization and Incentive Zones in a calendar year.

(4) A county may not receive more than two BRAC Revitalization and Incentive Zones.

(5) The precise location and boundaries of a BRAC Revitalization and Incentive Zone may be determined only on application to and approval by the Secretary.

(b) The designation of the Secretary is final.

(c) At any time, a political subdivision may reapply to the Secretary to designate as a BRAC Revitalization and Incentive Zone an area that is not designated.

(d) (1) This subsection applies only to a political subdivision that is authorized under § 7–211.3 of the Tax – Property Article to enter into a payment in lieu of tax agreement with a private developer for federal enclave property.

(2) The Secretary may not designate a BRAC Revitalization and Incentive Zone in a county until, in the judgment of the Secretary, the political subdivision has entered into good faith negotiations for a payment in lieu of tax agreement with all private developers of federal enclave property.

§5–1305.

(a) (1) A political subdivision may apply to the Secretary to expand an existing BRAC Revitalization and Incentive Zone in the same manner as the political subdivision would apply to designate a new BRAC Revitalization and Incentive Zone.

(2) The Secretary may grant an expansion of a BRAC Revitalization and Incentive Zone into an area that meets the requirements of § 5–1303 of this subtitle.

(3) For purposes of § 5–1304(a) of this subtitle, an expansion of a BRAC Revitalization and Incentive Zone that does not exceed 50% of the existing geographic area of the BRAC Revitalization and Incentive Zone does not count towards the limit on the number of BRAC Revitalization and Incentive Zones that:

(i) the Secretary may designate in a calendar year; or

(ii) a county may receive.

(b) (1) The Secretary may grant an extraordinary expansion of a BRAC Revitalization and Incentive Zone in the State each calendar year for an area that:

(i) meets the requirements of § 5–1303 of this subtitle; and

(ii) in the determination of the Secretary, is of strategic importance to the economic development interests of the county in which the BRAC Revitalization and Incentive Zone is located.

(2) For purposes of § 5–1304(a) of this subtitle, an extraordinary expansion of a BRAC Revitalization and Incentive Zone does not count towards the limit on the number of BRAC Revitalization and Incentive Zones that:

(i) the Secretary may designate in a calendar year; or

(ii) a county may receive.

(3) The Secretary may not grant more than two extraordinary expansions in the State during a single calendar year.

§5–1306.

(a) Benefits are available to political subdivisions with BRAC Revitalization and Incentive Zones as provided in this section.

(b) (1) A political subdivision that receives designation of an area as a BRAC

Revitalization and Incentive Zone may receive amounts as provided in § 2–222 of the Tax – Property Article.

(2) Amounts received by a political subdivision as provided in § 2–222 of the Tax – Property Article:

(i) shall be used to pay for infrastructure improvements in the BRAC Revitalization and Incentive Zone; and

(ii) may be used for the repayment of bonds, including tax increment financing bonds, issued by the political subdivision for infrastructure improvements in the BRAC Revitalization and Incentive Zone.

(c) Political subdivisions and business entities may receive priority consideration for financial assistance for projects or operations in a BRAC Revitalization and Incentive Zone from:

(1) programs in:

(i) the Department;

(ii) the Department of Housing and Community Development; or

(iii) the Department of Planning; or

(2) any other appropriate State programs.

(d) The benefits set forth in this section are available for 10 years after the date that the first property in the BRAC Revitalization and Incentive Zone becomes a qualified property, as defined in § 2–222 of the Tax – Property Article.

(e) The Department shall adopt regulations to carry out the provisions of this subtitle and to specify criteria and procedures for the application, approval, and monitoring the eligibility for the benefits under this subtitle.

§5–1307.

(a) On or before October 15 of each year, a political subdivision with a BRAC Revitalization and Incentive Zone designation shall submit a report to the Department that assesses the effectiveness of the benefits provided to the BRAC Revitalization and Incentive Zone in attracting and retaining businesses within the BRAC Revitalization and Incentive Zone.

(b) On or before December 15 of each year, the Department shall:

(1) assess the effectiveness of the benefits provided to the BRAC Revitalization and Incentive Zones in attracting and retaining businesses within BRAC Revitalization and Incentive Zones; and

(2) submit to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly a report outlining the findings of the Department and any other information of value in determining the effectiveness of the benefits under this subtitle.

§5–1401.

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

(b) "Area" means a geographic area in one or more political subdivisions in the State described by a closed perimeter boundary.

(c) "Nonprofit organization" means an organization that is exempt or eligible for exemption from taxation under § 501(c)(3) of the Internal Revenue Code.

(d) "Qualified institution" means an entity that is designated as a qualified institution under § 5–1403 of this subtitle and may include:

(1) a regional higher education center as defined under § 10–101 of the Education Article;

(2) an institution of higher education as defined under § 10–101 of the Education Article; or

(3) a nonprofit organization that is affiliated with a federal agency.

(e) "RISE zone" means a geographic area in immediate proximity to a qualified institution that is targeted for increased economic and community development that meets the requirements of § 5–1404 of this subtitle and is designated as a Regional Institution Strategic Enterprise zone by the Secretary under § 5–1404 of this subtitle.

§5–1402.

The purpose of the Regional Institution Strategic Enterprise Zone Program is to access institutional assets that have a strong and demonstrated history of commitment to economic development and revitalization in the communities in which they are located.

§5–1403.

(a) An institution may apply to the Secretary to be designated as a qualified institution.

(b) To be eligible for designation as a qualified institution, the applicant shall:

(1) evidence an intention:

(i) to make a significant financial investment or commitment in an area of the State that the applicant intends to become a RISE zone;

(ii) to use the resources and expertise of the applicant to spur economic development and community revitalization in an area of the State that the applicant intends to become a RISE zone; and

(iii) to create a significant number of new jobs within an area of the State that the applicant intends to become a RISE zone;

(2) have a demonstrated history of community involvement and economic development within the communities that the applicant serves; and

(3) meet the minimum financial qualifications established by the Secretary.

(c) If the applicant is a nonprofit organization that is not an institution of higher education, the application shall demonstrate an affiliation with a federal agency.

(d) (1) In addition to the requirements under subsection (b) of this section, the Secretary may establish by regulation any other requirements necessary and appropriate in order for an applicant to be designated as a qualified institution.

(2) The Secretary shall adopt regulations that establish factors for evaluating applications under subsection (b) of this section.

(e) In the form and content acceptable to the Secretary, an applicant shall submit to the Secretary an application that contains the information that the Secretary considers necessary to evaluate the request for designation as a qualified institution.

(f) (1) Within 90 days after submission of an application under this section, the Secretary shall approve or reject the application of an institution to be designated as a qualified institution.

(2) At least 30 days before approval or rejection of an application under this section, the Secretary shall notify the Legislative Policy Committee.

(3) The Legislative Policy Committee may provide advice to the Secretary regarding the approval or rejection of an institution as a qualified institution.

§5–1404.

(a) On or after July 1, 2015, a qualified institution shall apply jointly with a county, a municipal corporation, or the economic development agency of a county or municipal corporation to the Secretary to designate an area as a Regional Institution Strategic Enterprise zone.

(b) The application shall:

(1) be in the form and contain the information that the Secretary requires by regulation;

(2) state the boundaries of the area of the proposed RISE zone;

(3) describe the nexus of the RISE zone with the qualified institution; and

(4) contain a plan that identifies the target strategy and anticipated economic impacts of the RISE zone.

(c) The Secretary may establish, by regulation, any other requirements necessary and appropriate for an area to be designated as a RISE zone.

(d) (1) Unless a county in which a municipal corporation is located agrees to designation of a RISE zone in the municipal corporation, qualified property in the municipal corporation may not receive a tax credit against county property tax.

(2) Unless a municipal corporation located within a county agrees to designation of a RISE zone within its boundaries, qualified property in the county may not receive a tax credit against the municipal property tax.

(e) (1) Within 120 days after submission of an application under this section, the Secretary shall:

(i) approve or reject an application for designation of a RISE zone, including approval or modification of the proposed boundaries of the RISE zone; and

(ii) define the boundaries of the approved RISE zone.

(2) At least 45 days before approval or rejection of an application under this section, the Secretary shall notify the Legislative Policy Committee.

(3) The Legislative Policy Committee may provide advice to the Secretary regarding:

(i) the approval or rejection of the RISE zone; or

(ii) the boundaries of the RISE zone proposed by the Secretary.

(f) (1) (i) Subject to subparagraph (ii) of this paragraph, the designation of an area as a RISE zone is effective for 5 years.

(ii) Upon a joint application of a qualified institution, a county and, if applicable, a municipal corporation, or the economic development agency of a county or municipal corporation, the Secretary may renew a RISE zone for an additional 5 years.

(2) The Secretary may not approve more than three RISE zones in a single county or municipal corporation.

(g) (1) A RISE zone may not be required to be in the immediate geographic proximity of a qualified institution if an appropriate nexus for the increased economic and community development is established with the qualified organization.

(2) If the proposed RISE zone is in a rural part of the State, a qualified institution may not be required to be in the immediate area of the RISE zone.

(h) The Secretary may not designate a RISE zone in:

(1) a development district established under Title 12, Subtitle 2 of this article; or

(2) a special taxing district established under Title 21 of the Local Government Article or Section 62A of the Baltimore City Charter.

(i) The designation of an area as a RISE zone may not be construed to limit or supersede a provision of a comprehensive plan, zoning ordinance, or other land use policy adopted by a county, municipal corporation, or bicounty agency with land use authority over the area designated as a RISE zone.

§5–1405.

(a) The Secretary shall assign to a RISE zone a business and community development concierge who is an employee of the Department.

(b) A business and community development concierge shall assist entities locating in the RISE zone with:

(1) State, county, or municipal corporation permit and license applications;

(2) accessing existing programs at the Department, the Department of Housing and Community Development, the Department of Labor, Licensing, and Regulation, the Maryland Technology Development Corporation, or the Department of Transportation; and

(3) any other activities the Secretary authorizes that relate to the development of the RISE zone.

§5–1406.

(a) (1) To the extent provided for in this section, a business entity that locates in a RISE zone is entitled to:

(i) the property tax credit under § 9–103.1 of the Tax – Property Article;

(ii) the income tax credit under § 10–702 of the Tax – General Article; and

(iii) priority consideration for financial assistance from programs in Subtitle 1 of this title.

(2) For purposes of the income tax credit authorized under paragraph (1)(ii) of this subsection, the business entity is treated as being located in an enterprise zone.

(b) A business entity that moves into or locates in a RISE zone on or after the date that the zone is designated under this subtitle may qualify for the incentives under this section.

(c) A business entity may not qualify for the incentives under subsection (a) of this section unless the Department, in consultation with the county or municipal corporation in which a RISE zone is located, certifies the business entity and its location as consistent with the target strategy of the RISE zone.

(d) (1) Unless a business entity makes a significant capital investment or expansion of its labor force after a RISE zone is designated, the incentives under this section are not available to a business entity that was in a RISE zone before the date that the zone is designated.

(2) The Department shall adopt regulations establishing factors to determine if a business entity makes a significant capital investment or expansion of its labor force under paragraph (1) of this subsection.

§5–1407.

(a) The Department and the Comptroller jointly shall assess each year the effectiveness of the tax incentives provided to business entities in RISE zones, including:

(1) the number and amounts of tax incentives granted each year; and

(2) the success of the tax incentives in attracting and retaining business entities in RISE zones.

(b) On or before December 15 of each year, the Department and the Comptroller shall submit to the Governor and, in accordance with § 2–1246 of the State Government Article, the Senate Budget and Taxation Committee, the House Committee on Ways and Means, and the Tax Credit Evaluation Committee a report outlining the findings of the Department and the Comptroller and any other information of value in determining the effectiveness of the tax incentives authorized under this subtitle.

§6–101.

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

(b) (1) "Central services" means the performance of central management or administrative functions.

(2) "Central services" includes:

(i) general management;

(ii) accounting;

(iii) computer tabulating;

(iv) data processing;

(v) purchasing;

(vi) transportation or shipping;

(vii) advertising;

(viii) legal services;

(ix) financial services; and

(x) research and development.

(c) "Company headquarters" means a facility where the majority of a business entity's financial, personnel, legal, and planning functions are handled on a regional or national basis.

(d) "Full-time position" means a position requiring an employee to work at least 840 hours during at least 24 weeks in a 6-month period.

(e) "Qualified employee" means an employee filling a qualified position.

§6–201.

The General Assembly intends that the tax exemption under § 11-227 of the Tax - General Article:

(1) increase the film production activity in the State;

(2) bring economic benefits to the State; and

(3) generate increased employment opportunities in the State.

§6–202.

To receive the tax exemption provided under § 11-227 of the Tax - General Article for a film production activity, a film producer or a film production company shall first have a certification of eligibility for the tax exemption from the Department.

§6–203.

The Department and the Comptroller jointly shall adopt regulations defining a

film production activity, tangible personal property, and taxable services used directly in connection with a film production activity under § 11-227 of the Tax - General Article.

§6–301.

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

(b) "Credit year" means the taxable year in which a qualified business entity claims the credit allowed in accordance with § 6–304(a) of this subtitle.

(c) (1) "Qualified business entity" means a person conducting or operating a trade or business in the State that is certified in accordance with § 6–303 of this subtitle as qualifying for the tax credit under this subtitle.

(2) For a person engaged in a business activity described in § 6–303(b)(2)(xiii) of this subtitle, "qualified business entity":

(i) includes a person owning or operating the multi–use facility in which the entertainment, recreation, cultural, or tourism–related activities are operated; and

(ii) does not include any separate entity that leases retail space at the facility.

(d) (1) "Qualified position" means a position that:

(i) is full–time and of indefinite duration;

(ii) pays at least 150% of the federal minimum wage;

(iii) is located in the State;

(iv) is newly created as a result of the establishment or expansion of a business facility in a single location in the State; and

(v) is filled.

(2) "Qualified position" does not include a position that is:

(i) created when an employment function is shifted from an existing business facility of a business entity in the State to another business facility of the same business entity if the position is not a net new job in the State;

(ii) created through a change in ownership of a trade or business;

(iii) created through a consolidation, merger, or restructuring of a business entity if the position is not a net new job in the State;

(iv) created when an employment function is contractually shifted

from an existing business entity to another business entity in the State if the position is not a net new job in the State; or

(v) filled for a period of less than 12 months.

(3) For a person engaged in a business activity described in § 6–303(b)(2)(xiii) of this subtitle, "qualified position" does not include any position other than a position engaged in:

(i) the operation of entertainment, recreation, cultural, or tourism–related activities within the multi–use facility; or

(ii) management, marketing, building maintenance, hotel services, or security for the multi–use facility.

(e) "Revitalization area" means:

(1) an enterprise zone designated by the Secretary under § 5–704 of this article;

(2) an enterprise zone designated by the United States government under 42 U.S.C. §§ 11501 through 11505;

(3) an empowerment zone or enterprise community designated by the United States government under 26 U.S.C. §§ 1391 through 1397F; or

(4) a sustainable community, as defined in § 6–301 of the Housing and Community Development Article.

(f) "State priority funding area" means:

(1) a municipal corporation;

(2) Baltimore City;

(3) a sustainable community, as defined in § 6–301 of the Housing and Community Development Article;

(4) an enterprise zone designated by the Secretary under § 5–704 of this article;

(5) an enterprise zone designated by the United States government under 42 U.S.C. §§ 11501 through 11505;

(6) those areas of the State located between Interstate Highway 495 and the District of Columbia;

(7) those areas of the State located between Interstate Highway 695 and Baltimore City;

(8) no more than one area in a county designated by the county as a priority funding area under § 5–7B–03(c) of the State Finance and Procurement Article; and

(9) that portion of the Port Land Use Development Zone, as defined in § 6–501 of the Transportation Article, that has been designated as an area appropriate for growth in a county comprehensive master plan.

§6–302.

The General Assembly intends that the purpose of the job creation tax credit authorized under this subtitle is to increase the number of new jobs in the State by encouraging:

(1) the expansion of existing private sector enterprises; and

(2) the establishment or attraction of new private sector enterprises.

§6–303.

(a) (1) The Secretary or the Secretary's designee shall certify a person as a qualified business entity if the person meets the requirements of this section.

(2) A person may not be certified as a qualified business entity unless the person notifies the Department of its intent to seek certification before hiring any qualified employees to fill the qualified positions necessary to meet the requirements of subsection (b)(1) of this section.

(b) To be eligible for a tax credit under this subtitle, a person shall establish or expand a business facility in the State that:

(1) during any 24-month period creates at least:

(i) 60 qualified positions;

(ii) 30 qualified positions if the aggregate payroll for the qualified positions is greater than a threshold amount equal to the product of multiplying 60 times the State's average annual salary, as determined by the Department; or

(iii) 25 qualified positions if the business facility established or expanded is located in a State priority funding area; and

(2) is primarily engaged in:

(i) manufacturing or mining;

(ii) transportation or communications;

(iii) agriculture, forestry, or fishing;

(iv) research, development, or testing;

(v) biotechnology;

(vi) computer programming, information technology, or other computer-related services;

(vii) central services for a business entity engaged in financial services, real estate services, or insurance services;

(viii) the operation of central administrative offices;

(ix) the operation of a company headquarters other than the headquarters of a professional sports organization;

(x) the operation of a public utility;

(xi) warehousing;

(xii) business services, if the business facility established or expanded is located in a State priority funding area; or

(xiii) entertainment, recreation, cultural, or tourism-related activities in a multi-use facility located within a revitalization area if the facility:

1. generates a minimum of 1,000 new full-time equivalent filled positions in a 24-month period; and

2. is not primarily used by a professional sports franchise or for gaming.

(c) To be certified as a qualified business entity for a tax credit under this subtitle, a person shall submit to the Department an application that specifies:

(1) the effective date of the start-up or expansion;

(2) the number of full-time employees existing before the start-up or expansion and the payroll of the existing employees;

(3) the number of qualified positions created and qualified employees hired and the payroll of the new qualified employees; and

(4) any other information that the Department requires by regulation.

(d) When determining whether a business facility is engaged in a qualifying activity described in subsection (b)(2) of this section, the Department shall consider the definitions set forth in the North American Industry Classification System.

(e) The Department may require that any information provided under

subsection (c) of this section be verified by an independent auditor that the qualified business entity selects.

§6–304.

(a) (1) A qualified business entity may claim a tax credit in the amount determined under this section.

(2) A qualified business entity shall submit to the appropriate State units, with the tax return on which the credit is claimed, certification from the Department that the business entity has met the requirements of this subtitle and is eligible for the credit.

(b) (1) Except as provided in this section, the credit earned under this section:

(i) for qualified employees working in a facility not located in a revitalization area, is the lesser of:

1. $1,000 multiplied by the number of qualified employees employed by the qualified business entity during the credit year; and

2. 2.5% of the wages paid by the qualified business entity during the credit year to the qualified employees; and

(ii) for qualified employees working in a facility located in a revitalization area, is the lesser of:

1. $1,500 multiplied by the number of qualified employees employed by the qualified business entity during the credit year; and

2. 5% of the wages paid by the qualified business entity during the credit year to the qualified employees.

(2) The credit earned by a qualified business entity under this subtitle may not exceed $1,000,000 for any credit year.

(c) (1) The credit earned under subsection (b) of this section shall be taken over a 2-year period, with one-half of the credit amount allowed each year beginning with the credit year.

(2) The same credit cannot be applied more than once against different taxes by the same taxpayer.

(3) If the credit allowed under this subtitle exceeds the total tax otherwise due from a qualified business entity in a taxable year, the qualified business entity may apply the excess as a credit for succeeding taxable years until the earlier of:

(i) the full amount of the excess is used; or

(ii) the expiration of the 5th taxable year from the credit year.

(4) The credit under this subtitle may not be carried back to a preceding taxable year.

§6–305.

(a) If, during any of the 3 years after the credit year, the number of qualified positions of the qualified business entity falls more than 5% below the average number of qualified positions that existed during the credit year on which the credit was computed, the credit shall be recaptured as follows:

(1) the credit shall be recomputed and reduced by the percentage reduction of the number of qualified employees;

(2) the recomputed credit shall be subtracted from the amount of credit previously allowed; and

(3) the qualified business entity shall pay the difference as taxes payable to the State for the taxable year in which the number of qualified positions falls more than 5% below the average number of qualified positions during the credit year.

(b) If, during any of the 3 years after the credit year, the average number of qualified positions falls below the applicable threshold number of positions required under § 6-303(b)(1) of this subtitle, all credits earned shall be recaptured.

(c) (1) During the 3 taxable years after the credit year, a qualified business entity shall provide any information required by the Department in regulation to verify that the qualified business entity is not subject to subsection (a) or (b) of this section.

(2) The Department may require that any information provided under this subsection be verified by an independent auditor that the qualified business entity selects.

§6–306.

(a) The Comptroller or other appropriate unit shall share with the Department any information received from a qualified business entity about eligibility for a credit allowed under this subtitle.

(b) Information that is received under subsection (a) of this section is subject to the confidentiality requirements established by statute or regulation that apply to the Comptroller or unit that receives the information.

§6–307.

In accordance with § 2.5–109 of this article, the Department shall submit a report on the business entities certified as eligible for job creation tax credits in the preceding

fiscal year.

§6–308.

(a) Except as otherwise provided in this section, the Secretary shall adopt regulations to carry out this subtitle.

(b) The Comptroller shall adopt regulations to provide for the computation, carryover, and recapture of the credit under § 10-704.4 of the Tax - General Article.

(c) The State Department of Assessments and Taxation shall adopt regulations to provide for the computation, carryover, and recapture of the credit under §§ 8-214 and 8-411 of the Tax - General Article.

(d) The Insurance Commissioner shall adopt regulations to provide for the computation, carryover, and recapture of the credit under § 6-114 of the Insurance Article.

§6–309.

(a) Subject to subsection (b) of this section, this subtitle and the tax credit authorized under it shall terminate on January 1, 2020.

(b) After termination of this subtitle:

(1) a business entity may be considered for eligibility for the tax credit authorized under this subtitle based on positions filled before termination of this subtitle, provided that the other requirements of the subtitle are satisfied; and

(2) tax credits earned may be allowed ratably over a 2–year period, may be carried forward, and are subject to recapture in accordance with § 6–305 of this subtitle.

§6–401.

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

(b) "Eligible economic development project" means an economic development project that:

(1) establishes or expands a business facility within a qualified distressed county; and

(2) is approved for a project tax credit or a start–up tax credit in accordance with this subtitle.

(c) (1) "Eligible project cost" means the cost and expense a qualified business entity incurs to acquire, construct, rehabilitate, install, or equip an eligible economic development project.

(2) "Eligible project cost" includes:

(i) the cost of:

1. obligations for labor and payments made to contractors, subcontractors, builders, and suppliers;

2. acquiring land, rights in land, and costs incidental to acquiring land or rights in land;

3. contract bonds and insurance needed during the acquisition, construction, or installation of the project;

4. test borings, surveys, estimates, plans, specifications, preliminary investigations, environmental mitigation, supervision of construction, and other architectural and engineering services;

5. performing duties required by or consequent to the acquisition, construction, and installation of the project;

6. installing water, sewer, sewer treatment, gas, electricity, communications, railroads, and similar utilities; and

7. bond insurance, letters of credit, or other forms of credit enhancement or liquidity facilities;

(ii) the interest cost before and during the acquisition, construction, installation, and equipping of the project, and for up to 2 years after project completion; and

(iii) legal, accounting, financial, printing, recording, filing, and other fees and expenses incurred to finance the project.

(d) (1) "Eligible start–up cost" means a qualified business entity's cost to furnish and equip a new location for ordinary business functions.

(2) "Eligible start–up cost" includes:

(i) the cost of computers, nonrecurring costs of fixed telecommunications equipment, furnishings, and office equipment; and

(ii) expenditures for moving costs, separation costs, and other costs directly related to moving from outside of the State to a location in a qualified distressed county.

(e) "Project tax credit" means a tax credit for eligible project costs allowed under § 6–403 of this subtitle.

(f) "Qualified business entity" means a person that:

(1) (i) conducts or operates a trade or business in the State; or

(ii) operates in the State and is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code; and

(2) is certified in accordance with § 6–402 of this subtitle as qualifying for a project tax credit or a start–up tax credit under this subtitle.

(g) (1) "Qualified position" means a position that:

(i) is a full–time position and is of indefinite duration;

(ii) pays at least 150% of the federal minimum wage;

(iii) is in a qualified distressed county;

(iv) is newly created because a business facility begins or expands in one location in a qualified distressed county; and

(v) is filled.

(2) "Qualified position" does not include a position that is:

(i) created when an employment function is shifted from an existing business facility of a business entity in the State to another business facility of the same business entity if the position is not a net new job in the State;

(ii) created through a change in ownership of a trade or business;

(iii) created through a consolidation, merger, or restructuring of a business entity if the position is not a net new job in the State;

(iv) created when an employment function is contractually shifted from an existing business entity in the State to another business entity if the position is not a net new job in the State; or

(v) filled for a period of less than 12 months.

(h) "Start–up tax credit" means a tax credit for eligible start–up costs allowed under § 6–404 of this subtitle.

§6–402.

(a) (1) To qualify for a project tax credit or a start-up tax credit, a person shall be certified by the Secretary as meeting the requirements of this subtitle and as being eligible for the tax credit.

(2) The Secretary may not certify a person as a qualified business entity unless the person notifies the Department of its intent to seek certification before

hiring any qualified employees to fill the qualified positions necessary to satisfy the employment threshold under subsection (b)(2) of this section.

(b) To be eligible for a project tax credit or a start-up tax credit, a person shall:

(1) establish or expand a business facility that:

(i) is located in a qualified distressed county; and

(ii) 1. is located in a priority funding area under § 5-7B-02 of the State Finance and Procurement Article; or

2. is eligible for funding outside of a priority funding area under § 5-7B-05 or § 5-7B-06 of the State Finance and Procurement Article;

(2) during any 24-month period, create at least 25 qualified positions at the new or expanded business facility; and

(3) be primarily engaged at the new or expanded business facility in any combination of:

(i) manufacturing or mining;

(ii) transportation or communications;

(iii) filmmaking, resort business, or recreational business;

(iv) agriculture, forestry, or fishing;

(v) research, development, or testing;

(vi) biotechnology;

(vii) computer programming, information technology, or other computer-related services;

(viii) central services for a business entity engaged in financial services, real estate services, or insurance services;

(ix) the operation of central administrative offices;

(x) the operation of a company headquarters other than the headquarters of a professional sports organization;

(xi) the operation of a public utility;

(xii) warehousing; or

(xiii) other business services.

(c) To be certified as a qualified business entity for a project tax credit or a start-up tax credit, a person shall submit to the Secretary an application that specifies:

(1) the effective date of the start-up or expansion;

(2) the number of full-time employees before the start-up or expansion and the payroll of the existing employees;

(3) the number of qualified positions created and qualified employees hired and the payroll of the new qualified employees; and

(4) any other information that the Secretary requires by regulation.

(d) The Secretary may require any information required under this section to be verified by an independent auditor that the qualified business entity selects.

§6–403.

(a) (1) A qualified business entity may claim a project tax credit for the cost of an eligible economic development project in a qualified distressed county if the total eligible project cost for the eligible economic development project is at least $500,000.

(2) A qualified business entity is not entitled to a project tax credit for a cost incurred before notifying the Department of its intent to seek certification as qualifying for the project tax credit.

(b) (1) Subject to the limitation in paragraph (2) of this subsection, the project tax credit allowed under this section is the lesser of $5,000,000 and the total eligible project cost for the eligible economic development project, less the amount of the credit previously taken for the project in prior taxable years.

(2) Except as provided in subsections (e) and (f) of this section, the project tax credit allowed in a taxable year may not exceed the State tax for that year on the qualified business entity's income generated by or arising out of the eligible economic development project, as determined under subsections (c) and (d) of this section.

(c) (1) This subsection does not apply to a person subject to taxation under Title 6 of the Insurance Article.

(2) The State tax for the taxable year on a qualified business entity's income generated by or arising out of an eligible economic development project equals the difference between:

(i) the State tax without regard to this subtitle; and

(ii) the State tax on the qualified business entity's Maryland taxable income reduced by the amount of its net income attributable to the eligible economic development project.

(3) If an eligible economic development project is a totally separate facility, net income attributable to the project shall be determined under the separate accounting method reflecting only the gross income, deductions, expenses, gains, and losses that are directly attributable to the facility and the overhead expenses apportioned to the facility.

(4) If the eligible economic development project is an expansion to a previously existing facility:

(i) net income attributable to the entire facility shall be determined under the separate accounting method reflecting only the gross income, deductions, expenses, gains, and losses that are directly attributable to the facility and the overhead expenses apportioned to the facility; and

(ii) net income attributable to the eligible economic development project shall be determined by apportioning the net income of the entire facility, as calculated under item (i) of this paragraph, to the eligible economic development project by a formula approved by the Comptroller or the State Department of Assessments and Taxation.

(5) If the Comptroller or the State Department of Assessments and Taxation is satisfied that the nature and activities of a qualified business entity make it impractical to use the separate accounting method, the qualified business entity shall determine net income from the eligible economic development project using an alternative method approved by the Comptroller or the State Department of Assessments and Taxation.

(d) A qualified business entity that is subject to taxation under Title 6 of the Insurance Article may not claim the project tax credit for the taxable year in which the project is placed in service or for the next 4 taxable years.

(e) (1) Subject to paragraph (2) of this subsection, if the eligible project cost for the eligible economic development project exceeds the State tax on the qualified business entity's income generated by or arising out of the project for the taxable year in which the project is placed in service, the qualified business entity may apply any excess as a project tax credit for succeeding taxable years against the State tax on the qualified business entity's income generated by or arising out of the project until the earlier of:

(i) the full amount of the excess is used; or

(ii) the expiration of the 14th taxable year following the taxable year in which the project is placed in service.

(2) (i) A qualified business entity may claim a prorated share of the credit under this subsection if:

1. during any taxable year after the qualified business entity

is certified for the tax credit, the number of qualified positions filled by the qualified business entity falls below 25, but does not fall below 10; and

2. the qualified business entity has maintained at least 25 qualified positions for at least 5 years.

(ii) The prorated share of the credit is calculated based on the number of qualified positions filled for the taxable year divided by 25.

(f) (1) Subject to the limitation in paragraph (4) of this subsection and subject to § 6–405 of this subtitle, this subsection applies to any taxable year after the 4th but before the 15th taxable year following the taxable year in which the project is placed in service.

(2) A qualified business entity other than a person subject to taxation under Title 6 of the Insurance Article may:

(i) apply any excess of eligible project costs for the eligible economic development project over the cumulative amount used as a project tax credit for the taxable year and all prior taxable years as a tax credit against the State tax for the taxable year on the qualified business entity's income other than income generated by or arising out of the project; and

(ii) claim a refund in the amount, if any, by which the unused excess exceeds the State tax for the taxable year on the qualified business entity's income other than income generated by or arising out of the project.

(3) A qualified business entity that is subject to taxation under Title 6 of the Insurance Article may:

(i) apply any excess of eligible project costs for the eligible economic development project over the cumulative amount used as a project tax credit for the taxable year and all prior taxable years as a tax credit against the premium tax imposed for the taxable year; and

(ii) claim a refund in the amount, if any, by which the unused excess exceeds the premium tax for the taxable year.

(4) For any taxable year, the total amount used as a project tax credit and claimed as a refund under this subsection may not exceed the amount of tax that the qualified business entity is required to withhold for the taxable year from the wages of qualified employees under § 10–908 of the Tax – General Article.

(5) (i) A qualified business entity may claim a prorated share of the credit under this subsection if:

1. during any taxable year after the qualified business entity is certified for the tax credit, the number of qualified positions filled by the qualified

business entity falls below 25, but does not fall below 10; and

2. the qualified business entity has maintained at least 25 qualified positions for at least 5 years.

(ii) The prorated share of the credit is calculated based on the number of qualified positions filled for the taxable year divided by 25.

(g) A qualified business entity shall attach the certification required under § 6–402 of this subtitle to the tax return on which the project tax credit is claimed.

§6–404.

(a) (1) A qualified business entity that locates in a qualified distressed county may claim a start-up tax credit in the amount provided in subsection (b) of this section.

(2) A qualified business entity is not entitled to a start-up tax credit for a cost incurred before notifying the Department of its intent to seek certification as qualifying for the start-up tax credit.

(b) The start-up tax credit allowed under this section for each taxable year equals the least of:

(1) the qualified business entity's total eligible start-up cost associated with establishing or expanding a business facility in the qualified distressed county, less the amount of the credit previously taken for the project;

(2) the product of multiplying $10,000 times the number of qualified employees employed at the new or expanded business facility; or

(3) $500,000.

(c) (1) Subject to paragraph (2) of this subsection, if the start–up tax credit allowed under subsection (b) of this section for the taxable year in which a qualified business entity locates in a qualified distressed county exceeds the total tax otherwise due from the qualified business entity for that taxable year, the qualified business entity may apply the excess as a credit for succeeding taxable years until the earlier of:

(i) the full amount of the excess is used; or

(ii) the expiration of the 14th taxable year following the taxable year in which the qualified business entity locates in a qualified distressed county.

(2) (i) A qualified business entity may claim a prorated share of the credit under this subsection if:

1. during any taxable year after the qualified business entity is certified for the tax credit, the number of qualified positions filled by the qualified

business entity falls below 25, but does not fall below 10; and

2. the qualified business entity has maintained at least 25 qualified positions for at least 5 years.

(ii) The prorated share of the credit is calculated based on the number of qualified positions filled for the taxable year divided by 25.

(d) (1) Subject to the limitation in paragraph (3) of this subsection and subject to § 6–405 of this subtitle, this subsection applies to any taxable year after the 4th but before the 15th taxable year following the taxable year in which the qualified business entity locates in a qualified distressed county.

(2) A qualified business entity may claim a refund in the amount, if any, by which the qualified business entity's eligible start–up cost exceeds the cumulative amount used as a start–up tax credit for the taxable year and all prior taxable years.

(3) For any taxable year, the total amount claimed as a refund under this subsection may not exceed the amount of tax that the qualified business entity is required to withhold for the taxable year from the wages of qualified employees under § 10–908 of the Tax – General Article.

(4) (i) A qualified business entity may claim a prorated share of the credit under this subsection if:

1. during any taxable year after the qualified business entity is certified for the tax credit, the number of qualified positions filled by the qualified business entity falls below 25, but does not fall below 10; and

2. the qualified business entity has maintained at least 25 qualified positions for at least 5 years.

(ii) The prorated share of the credit is calculated based on the number of qualified positions filled for the taxable year divided by 25.

(e) A qualified business entity shall attach the certification required under § 6-402(a) of this subtitle to the tax return on which the start-up tax credit is claimed.

§6–405.

If the pay for the majority of the qualified positions created from the establishment or expansion of a business facility is at least 250% of the federal minimum wage, §§ 6-403(f) and 6-404(d) of this subtitle apply beginning with the taxable year after the 2nd taxable year that follows the taxable year when the qualified business entity locates in a qualified distressed county.

§6–406.

A refund payable to a qualified business entity under § 6-403(f) or § 6-404(d) of this subtitle reduces:

(1) the income tax revenue from corporations if the qualified business entity is a corporation subject to the income tax under Title 10 of the Tax - General Article;

(2) the income tax revenue from individuals if the qualified business entity is:

(i) an individual subject to the income tax under Title 10 of the Tax - General Article; or

(ii) an organization exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code; and

(3) insurance premium tax revenues if the qualified business entity is subject to taxation under Title 6 of the Insurance Article.

§6–407.

The Secretary shall adopt regulations to specify criteria and procedures for application and approval of projects for the tax credit under this subtitle.

§6–601.

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

(b) "Authority" means the Maryland E–Nnovation Initiative Fund Authority established under § 6–605 of this subtitle.

(c) "Endowment proceeds" means those investment earnings accruing to a research endowment of a nonprofit institution of higher education and available for expenditure by the institution in accordance with § 6–612 of this subtitle.

(d) "Fund" means the Maryland E–Nnovation Initiative Fund created under § 6–604 of this subtitle.

(e) "Governing board" has the meaning stated in § 10–101 of the Education Article.

(f) "Governing body" means:

(1) a governing board;

(2) the governing entity of private nonprofit institutions of higher education; or

(3) the governing entity of a regional higher education center.

(g) (1) "Nonprofit institution of higher education" means an institution of postsecondary education located in the State, that receives State funds in the annual operating budget and that generally limits enrollment to graduates of secondary schools and awards degrees at either the associate, baccalaureate, or graduate level.

(2) "Nonprofit institution of higher education" includes public and private nonprofit institutions of higher education located in the State.

(h) "Private nonprofit institution of higher education" has the meaning stated in § 10–101 of the Education Article.

(i) "Program" means the Maryland E–Nnovation Initiative Program under this subtitle.

(j) "Qualified donation" means any private donation, gift, irrevocable pledge, or bequest to a research endowment in accordance with § 6–613 of this subtitle.

(k) "Regional higher education center" has the meaning stated in § 10–101 of the Education Article.

(l) "Research endowment" means an account established at or administered by a nonprofit institution of higher education in accordance with § 6–612 of this subtitle.

§6–604.

(a) There is a Maryland E–Nnovation Initiative Fund in the Department.

(b) The Secretary shall manage and supervise the Fund.

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

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

(d) The Fund consists of:

(1) revenue distributed to the Fund under § 2–202(a)(1) of the Tax – General Article;

(2) money appropriated in the State budget to the Fund; and

(3) any other money from any other source accepted for the benefit of the Fund.

(e) For each of fiscal years 2016 through 2021, the Governor shall include in the budget bill an appropriation to the Fund in an amount that when combined with the

amount estimated to be distributed to the Fund under subsection (d)(1) of this section equals at least $8,500,000.

(f) The Department may use the Fund to:

(1) finance research endowments at nonprofit institutions of higher education in scientific and technical fields of study; and

(2) pay the related administrative, legal, and actuarial expenses of the Department.

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

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

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

§6–605.

There is a Maryland E–Nnovation Initiative Fund Authority in the Department.

§6–606.

The Authority consists of:

(1) the Executive Director of the Maryland Technology Development Corporation, or the Executive Director's designee;

(2) the Executive Vice President of the Maryland Technology Development Corporation, or the Executive Vice President's designee;

(3) the Secretary of Commerce, or the Secretary's designee;

(4) the Managing Director of the Maryland Venture Fund, or the Managing Director's designee;

(5) the Chancellor of the University System of Maryland, or the Chancellor's designee; and

(6) two individuals from the private sector not affiliated with higher education appointed by the President of the Senate and the Speaker of the House to the Maryland Innovation Initiative under § 10–455 of this article.

§6–607.

(a) The chair of the Authority shall be chosen by the members of the Authority.

(b) The Authority shall determine the manner of election of officers and their terms of office.

§6–608.

(a) (1) Four members of the Authority are a quorum.

(2) An act of the Authority shall be approved by a majority vote of the members attending a meeting at which a quorum is present.

(b) A member of the Authority:

(1) may not receive compensation as a member of the Authority; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

§6–609.

The Authority shall provide advice to and consult with the Department in connection with the administration of the Program under this subtitle.

§6–612.

(a) The governing body of each nonprofit institution of higher education may create and administer one or more research endowments to receive funding from the Fund.

(b) A research endowment consists of funds distributed by the Authority from the Fund in accordance with § 6–618 of this subtitle and qualified donations.

(c) (1) The governing body of a nonprofit institution of higher education may invest funds deposited into the research endowment in a manner consistent with other institutional endowments managed by the institution.

(2) Any interest or other investment earnings on the funds invested are retained by the nonprofit institution of higher education to be used for the purposes set forth in this subtitle.

(d) Investment earnings accruing to the research endowment of a nonprofit institution of higher education may be expended by the governing body of the institution only for the eligible uses under § 6–614 of this subtitle.

(e) The governing body of a nonprofit institution of higher education is exempt from liability for any loss or decrease in value of the assets or income of a research endowment, unless the losses or decreases in value result from bad faith, gross negligence, or intentional misconduct.

(f) The governing body of a nonprofit institution of higher education shall

issue rules for the administration of research endowments that fulfill the purposes and requirements of this subtitle.

§6–613.

(a) Private donations to a research endowment shall be considered a qualified donation if:

(1) the donation or pledge is expressly or specifically restricted by the donor for one or more of the eligible uses under § 6–614 of this subtitle;

(2) the individual donation or pledge is a minimum of $500,000 or is bundled with other qualified donations to meet the $500,000 threshold; and

(3) the nonprofit institution of higher education accepts the donation from individuals, partnerships, associations, public or private for–profit and nonprofit corporations, or nongovernmental foundations.

(b) Notwithstanding subsection (a) of this section, a nonprofit institution of higher education may designate unrestricted gifts or bequests, or a portion of an unrestricted gift or bequest, for use as a qualified donation.

(c) A qualified donation excludes:

(1) any donation received by a nonprofit institution of higher education prior to October 1, 2014;

(2) educational or general fees, auxiliary fees, or other student fees generated by the institution;

(3) proceeds from promissory notes, bonds, loans, or other instruments evidencing an indebtedness or any other obligation of repayment by the governing body of a nonprofit institution of higher education to the maker of the instrument; or

(4) any other funds received from the State or federal government.

(d) (1) The president of each nonprofit institution of higher education or the president's designee shall make the initial determination of whether a donation constitutes a qualified donation.

(2) The president of the nonprofit institution of higher education shall provide a report to the governing body of the institution at least once each fiscal year regarding the amount of qualified donations the institution has received.

§6–614.

(a) Endowment proceeds shall be expended by a nonprofit institution of higher education to further basic and applied research in scientific and technical fields of

study as designated by the Authority that offer promising and significant economic impacts and the opportunity to develop clusters of technological innovation in the State, including:

(1) physical sciences;

(2) life and neuro sciences;

(3) engineering;

(4) mathematical and computational sciences;

(5) regulatory science;

(6) autonomous systems;

(7) aeronautical and space science;

(8) environmental sciences;

(9) behavioral and language science;

(10) health sciences;

(11) agriculture; or

(12) cybersecurity.

(b) Endowment proceeds may be expended by a nonprofit institution of higher education for:

(1) the payment of the base salaries of newly endowed department chairs, new professorship positions, new research scientists, or new research staff positions, including research technicians and support personnel, and to fund affiliated graduate or undergraduate student research fellowships, if the positions or fellowships are engaged in the areas of research identified in subsection (a) of this section; or

(2) the purchase of basic infrastructure, including laboratory and scientific equipment or other essential equipment and materials, related to an area of research identified in subsection (a) of this section.

(c) An individual in a position that is funded by endowment proceeds under subsection (b)(1) of this section shall:

(1) work at least one day each week in support of a federal laboratory or associated federal laboratory research support organization;

(2) hold a joint appointment or secondary position at another nonprofit institution of higher education in the State; or

(3) work at least one day each week in support of entrepreneurial activities with a company engaged in one or more of the research areas identified in subsection (a) of this section.

(d) The Authority shall issue eligibility criteria regarding the expenditure of endowment proceeds to pay the base salaries of personnel, fund student fellowships, and purchase basic infrastructure.

§6–615.

(a) The governing body of each nonprofit institution of higher education shall submit a research endowment plan to the Authority prior to submitting its first request for a distribution of matching funds from the Fund.

(b) The research plan shall include:

(1) any information requested by the Authority to ensure compliance with the requirements of this subtitle; and

(2) a demonstration of interest from qualified private donors to meet the criteria established by the Authority.

§6–618.

(a) Except as provided in § 6–619 of this subtitle, the Authority shall make available no more than 25% of cumulative program funds from the Fund to a single nonprofit institution of higher education to match qualified donations.

(b) A nonprofit institution of higher education seeking a distribution of matching funds from the Fund shall first obtain qualified donations in an amount equal to the amount of matching funds requested for distribution and shall submit a request to the Authority.

(c) The request shall include:

(1) the amount requested for distribution to the nonprofit institution of higher education in accordance with subsection (a) of this section;

(2) the amount of qualified donations designated for use in requesting the distribution of matching funds from the Fund;

(3) an explanation of how the proposed use satisfies the criteria for eligible uses of endowment proceeds under § 6–614 of this subtitle;

(4) an explanation of how the proposed use of the endowment proceeds furthers the purposes of this subtitle and addresses the research needs of the institution as identified in the research plan; and

(5) a designation of the applicable research endowment into which the requested matching funds are to be deposited.

(d) The Authority shall review each request for distribution of matching funds from the Fund for compliance with the provisions of this subtitle and Department regulations.

(e) If the Authority approves the request of a nonprofit institution of higher education, the Authority shall distribute matching funds to the applicable research endowment in an amount equal to the amount of qualified donations.

§6–619.

(a) Within 90 days after approval by the Authority of a request for matching funds under § 6–618 of this subtitle, each nonprofit institution of higher education shall deposit an amount of qualified donations equal to or greater than the total amount of funds allocated for distribution to the nonprofit institution of higher education in accordance with § 6–618 of this subtitle.

(b) If a nonprofit institution of higher education fails to have deposited into its research endowments the required amount of qualified donations as required under subsection (a) of this section, any portion of the funds allocated to the institution that has not been distributed shall be reallocated to another nonprofit institution of higher education in accordance with this subtitle.

(c) If the Authority fails to allocate the funds in the Fund under this subtitle and a nonprofit institution of higher education has previously received 25% of cumulative program funds from the Fund, the Authority may distribute additional funds to the nonprofit institution in accordance with this subtitle.

§6–622.

The Department shall administer this subtitle and shall adopt regulations to carry out this subtitle.

§6–623.

(a) (1) On or before January 1, 2016, and January 1 of each subsequent year, the Department shall submit a report on the implementation of the Program to the Governor and, in accordance with § 2–1246 of the State Government Article, the Senate Budget and Taxation Committee and the House Ways and Means Committee.

(2) The Department shall publish the report on the Department's Web site in a publicly available format.

(3) The report published on the Web site may not include any proprietary or confidential information.

(b) The report shall include, with respect to each nonprofit institution of higher education that has received an allocation of funds from the Fund:

(1) the name and address of the institution;

(2) the names of the individuals making decisions on behalf of the institution regarding expenditure of the funds allocated;

(3) the amount of funds received during the previous fiscal year;

(4) the cumulative amount of funds received; and

(5) the amount of funds remaining unspent at the end of the previous fiscal year.

§9–101.

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

(b) "County" means a county of the State or Baltimore City.

(c) "Department" means the Department of Economic Competitiveness and Commerce.

(d) "Person" means an individual, receiver, trustee, guardian, personal representative, fiduciary, representative of any kind, partnership, firm, association, corporation, or other entity.

(e) "Secretary" means the Secretary of Commerce.

(f) (1) Except as provided in paragraph (2) of this subsection, "state" means:

(i) a state, possession, territory, or commonwealth of the United States; or

(ii) the District of Columbia.

(2) When capitalized, "State" means Maryland.

§10–101.

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

(b) "Board" means the Board of Directors of the Corporation.

(c) (1) "Bond" means a bond or note of the Corporation issued under this subtitle.

(2) "Bond" includes:

(i) a bond anticipation note;

(ii) a revenue anticipation note;

(iii) a grant anticipation note;

(iv) a refunding bond;

(v) a note in the nature of commercial paper; and

(vi) any other evidence of indebtedness of the Corporation, whether a general or limited obligation.

(d) "Corporation" means the Maryland Economic Development Corporation.

(e) "Cost" includes:

(1) the purchase price of a project;

(2) the cost to acquire any right, title, or interest in a project;

(3) the cost of any improvement;

(4) the amount to be paid to discharge each obligation necessary or desirable to vest title to any part of the project in the Corporation or other owner;

(5) the cost of any property, right, easement, franchise, and permit;

(6) the cost of labor and equipment;

(7) financing charges;

(8) interest before and during construction and, if the Corporation determines, for a limited period after the completion of construction;

(9) reserves for principal and interest and for improvements;

(10) the cost of revenue and cost estimates, engineering and legal services, plans, specifications, studies, surveys, demonstrations, and other expenses necessary or incident to determining the feasibility of an acquisition or improvement;

(11) administrative expenses; and

(12) other expenses as necessary or incident to:

(i) financing a project;

(ii) acquiring and improving a project;

(iii) placing a project in operation by the Corporation or other owner, including reasonable provision for working capital; and

(iv) operating and maintaining a project.

(f) "Finance" includes refinance.

(g) "Governmental unit" means a county, municipal corporation, unit of State or local government, or other public body created under State or local law.

(h) "Improve" means to add, alter, construct, equip, expand, extend, improve, install, reconstruct, rehabilitate, remodel, or repair.

(i) "Improvement" means addition, alteration, construction, equipping, expansion, extension, improvement, installation, reconstruction, rehabilitation, remodeling, or repair.

(j) (1) "Person" has the meaning stated in § 9-101 of this article.

(2) "Person" also includes:

(i) a person that is created, owned, or controlled by the Corporation or of which the Corporation is a member;

(ii) a for-profit or not-for-profit entity; and

(iii) a governmental unit.

(k) (1) "Project" means any property, the acquisition or improvement of which the Board, in its sole discretion, determines by resolution will accomplish at least one of the legislative purposes listed in § 10-104(b) of this subtitle, whether or not the property:

(i) is or will be used or operated for profit or not for profit;

(ii) is or will be located on a single site or multiple sites; or

(iii) may be financed by bonds, the interest on which is exempt from income taxation under federal law.

(2) "Project" includes:

(i) land or an interest in land;

(ii) structures, equipment, furnishings, rail or motor vehicles, barges, and boats;

(iii) property and rights related to the property, appurtenances, rights-of-way, franchises, and easements;

(iv) property that is functionally related and subordinate to property described in this subsection; and

(v) patents, licenses, and other rights necessary or useful in the improvement or operation of a project.

(l) (1) "Revenues" means the income, revenue, and other money the Corporation receives from or in connection with a project, and all other income of the Corporation, subject to § 10-115(11) of this subtitle.

(2) "Revenues" includes grants, rentals, rates, fees, and charges for the use of the services furnished or available.

§10–102.

This subtitle shall be liberally construed to accomplish its purposes.

§10–103.

A project financed under this subtitle may not include property that is eligible to be financed under Subtitle 3 of this title if any bonds issued under this subtitle to finance the property would be payable or guaranteed, directly or indirectly, by an "educational institution" or a "health care institution" as those terms are defined in § 10-301 of this title.

§10–104.

(a) The General Assembly finds that:

(1) the State's economy continues to experience technological change and restructuring;

(2) technological change may result in economic contraction and dislocation, but affords opportunities to expand productive employment and expand the State's economy and tax base;

(3) the establishment of a public corporation to acquire or improve projects:

(i) serves the public interest by accomplishing one or more of the Corporation's legislative purposes listed in subsection (b) of this section; and

(ii) complements existing State marketing programs administered by the Department and through the Department's financial assistance programs including the Maryland Industrial Development Financing Authority and the Maryland Economic Development Assistance Authority under Title 5 of this article; and

(4) the State lacks and needs direct property development capability for economic development purposes.

(b) The legislative purposes of the Corporation are to:

(1) relieve unemployment in the State;

(2) encourage the increase of business activity and commerce and a balanced economy in the State;

(3) help retain and attract business activity and commerce in the State;

(4) promote economic development; and

(5) promote the health, safety, right of gainful employment, and welfare of residents of the State.

(c) The General Assembly intends that:

(1) the Corporation operate and exercise its corporate powers in all areas of the State;

(2) without limiting its authority to otherwise exercise its corporate powers, the Corporation exercise its corporate powers to assist governmental units and State and local economic development agencies to contribute to the expansion, modernization, and retention of existing enterprises in the State as well as the attraction of new business to the State;

(3) the Corporation cooperate with workforce investment boards, private industry councils, representatives of labor, and governmental units in maximizing new economic opportunities for residents of the State;

(4) the Corporation accomplish at least one of the purposes listed in subsection (b) of this section and complement existing State marketing and financial assistance programs by:

(i) owning projects;

(ii) leasing projects to other persons; or

(iii) lending the proceeds of bonds to other persons to finance the costs of acquiring or improving projects that the persons own or will own; and

(5) the Corporation not own and operate a project unless:

(i) the Board determines by resolution that the private sector has not demonstrated serious and significant interest and development capacity to own and operate the project; or

(ii) a representative of a governmental unit requests in writing that the Corporation own and operate the project.

§10–105.

(a) There is a Maryland Economic Development Corporation.

(b) The Corporation is a body politic and corporate and is an instrumentality of the State.

(c) The exercise by the Corporation of a power under this subtitle is the performance of an essential governmental function.

§10–106.

(a) A Board of Directors shall manage the Corporation and exercise its powers.

(b) The Board consists of the following 12 members:

(1) as ex officio voting members:

(i) the Secretary; and

(ii) the Secretary of Transportation; and

(2) the following members, appointed by the Governor with the advice and consent of the Senate:

(i) two representatives of local government;

(ii) three members who are knowledgeable in real estate or commercial financing;

(iii) three members who are knowledgeable in industrial development or industrial relations; and

(iv) two members of the general public.

(c) Each member of the Board shall be a resident of the State.

(d) In appointing Board members, the Governor shall consider geographic diversity and minority representation.

(e) (1) The term of an appointed member is 4 years.

(2) The terms of the appointed members are staggered as required by the terms provided for members of the Board on October 1, 2008.

(3) At the end of a term, a member continues to serve until a successor is

appointed and qualifies.

(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(f) Before taking office, each member appointed to the Board shall take the oath required by Article 1, § 9 of the Maryland Constitution.

§10–107.

(a) From among its members, the Board shall elect a chair, a vice chair, and a treasurer.

(b) The Board shall determine the manner of election of officers and their terms of office.

§10–108.

(a) (1) Seven members of the Board are a quorum.

(2) An affirmative vote of at least seven members is needed for the Board to act.

(b) The Board shall determine the times and places of its meetings.

§10–109.

(a) (1) Subject to the approval of the Governor, the Board shall appoint an Executive Director.

(2) The Executive Director serves at the pleasure of the Board.

(3) The Board shall determine the salary of the Executive Director.

(b) (1) The Executive Director is the chief administrative officer of the Corporation.

(2) The Executive Director shall manage the administrative affairs and technical activities of the Corporation in accordance with policies and procedures that the Board establishes.

(c) The Executive Director, or the Executive Director's designee, shall:

(1) attend all meetings of the Board;

(2) act as secretary of the Board;

(3) keep minutes of all proceedings of the Board;

(4) approve all salaries, per diem payments, and allowable expenses of the Corporation, its employees, and its consultants;

(5) approve any expenses incidental to the operation of the Corporation; and

(6) perform the other duties that the Board directs in carrying out this subtitle.

§10–110.

(a) The Board shall employ any additional professional and clerical staff as necessary to carry out this subtitle.

(b) The Board may retain accountants, engineers, lawyers, financial advisors, or other consultants as necessary.

§10–111.

(a) (1) Except as otherwise provided in this section, in exercising its powers, the Corporation:

(i) may carry out its corporate purposes without the consent of any State unit; and

(ii) is not subject to:

1. Title 12, Subtitles 1 through 3 of this article;

2. the following provisions of the Local Government Article:

A. Title 18, Subtitle 1 (Parking Authorities Act); and

B. Title 18, Subtitle 2 (Ocean City Convention Center);

3. the following provisions of the State Finance and Procurement Article:

A. Title 2, Subtitles 2 (Gifts and Grants), 4 (Water and Sewerage Systems), and 5 (Facilities for the Handicapped);

B. Title 3 (Budget and Management);

C. Title 4 (Department of General Services);

D. Title 5A (Division of Historical and Cultural Programs);

E. Title 6, Subtitle 1 (Studies and Estimates);

F. Title 7, Subtitles 1 (State Operating Budget), 2 (Disbursements and Expenditures), and 3 (Unspent Balances);

G. §§ 8–127, 8–128, and 8–129 (certain restrictions on State general obligation bonds);

H. Title 8, Subtitle 1, Part V (State Revenue Anticipation Notes);

I. Title 10 (Board of Public Works – Miscellaneous Provisions); and

J. Division II (General Procurement Law);

4. the following provisions of the State Government Article:

A. Title 9, Subtitles 10 (State Archives and Artistic Property) and 17 (Maryland State Employees Surety Bond Committee); and

B. Title 11 (Consolidated Procedures for Development Permits);

5. Article 41 of the Code; and

6. §§ 3–301 and 3–303 of the General Provisions Article (certain open meetings provisions).

(2) The Corporation is subject to the Public Information Act.

(b) (1) The Corporation, its officers, and its employees are subject to the Public Ethics Law.

(2) The officers and employees of the Corporation are not subject to:

(i) Division II of the State Personnel and Pensions Article; or

(ii) the provisions of Division I of the State Personnel and Pensions Article that govern the State Personnel Management System.

(c) The Corporation is a public body under Title 5, Subtitle 4 of this article, the Maryland Industrial Development Financing Authority Act, for purposes of applying for, receiving, and making agreements in connection with:

(1) a loan;

(2) a grant;

(3) insurance; or

(4) any other form of financial assistance.

(d) The Corporation is subject to the same State and local regulatory requirements as any private corporation.

(e) A project of the Corporation is subject to the zoning and subdivision regulations of the jurisdiction where it is located.

(f) The Corporation, its officers, and its employees are subject to Title 12, Subtitle 4 of the State Finance and Procurement Article.

§10–112.

A finding by the Board concerning the public purpose of an action, the legislative intent expressed under this subtitle, or the appropriateness of the action in serving the public purpose and satisfying the legislative intent is conclusive in a proceeding that involves the validity or enforceability of:

(1) an agreement entered into by the Corporation under this subtitle;

(2) a bond; or

(3) any security relating to a bond.

§10–113.

(a) The Corporation shall establish a system of financial accounting, controls, audits, and reports.

(b) The fiscal year of the Corporation begins on July 1 and ends on the following June 30.

§10–114.

(a) The Corporation may create and administer the accounts that it requires.

(b) The Corporation shall deposit its money into a State or national bank or a federally insured savings and loan association that has a total paid-in capital of at least $1,000,000.

(c) The Corporation may designate the trust department of a State bank, national bank, or savings and loan association as a depository to receive securities that the Corporation owns or acquires.

(d) Unless an agreement or covenant between the Corporation and the holders of its obligations limits classes of investments, the Corporation may invest its money in bonds or other obligations of, or guaranteed as to principal and interest by, the United States, the State, or a governmental unit.

§10–115.

The Corporation may:

(1) adopt bylaws for the conduct of its business;

(2) adopt a seal;

(3) maintain offices at a place it designates in the State;

(4) accept loans, grants, or assistance of any kind from the federal government, a governmental unit, a college or university, or a private source;

(5) enter into contracts and other legal instruments;

(6) sue and be sued in its own name;

(7) acquire, purchase, hold, lease as lessee, and use any franchise, patent, or license and real, personal, mixed, tangible, or intangible property, or any interest in property, necessary or convenient to carry out its purposes;

(8) sell, lease as lessor, transfer, and dispose of its property or interest in property;

(9) fix and collect rates, rentals, fees, royalties, and charges for services, resources, and facilities it provides or makes available;

(10) with the owner's permission, enter lands, waters, or premises to make a survey, sounding, boring, or examination to accomplish a purpose authorized by this subtitle;

(11) further define or limit the term "revenues" defined in § 10–101 of this subtitle as the term applies to a particular project, financing, or other matter;

(12) create, own, control, or be a member of a corporation, limited liability company, partnership, or other person, whether for–profit or not–for–profit;

(13) exercise a power usually possessed by a private corporation in performing similar functions unless to do so would conflict with State law; and

(14) do all things necessary or convenient to carry out the powers expressly granted by this subtitle.

§10–116.

(a) The Corporation may:

(1) acquire, improve, develop, manage, market, maintain, lease as lessor or as lessee, and operate a project in the State;

(2) acquire, directly or through a person or governmental unit, by purchase, gift, or devise, property, franchises, and other interests in land, including land lying under water and riparian rights, located in or outside the State as necessary or convenient to improve or operate a project, on terms and at prices that the Corporation considers reasonable;

(3) if approved by resolution by at least a two-thirds majority of the legislative body of each governmental unit in which the property is located, acquire real property or rights or easements in real property for a project by condemnation for public use in accordance with applicable law; and

(4) make loans to a person to:

(i) finance all or a part of the acquisition or improvement of a project; and

(ii) refund outstanding bonds, mortgages, advances, loans, or other obligations of the person to finance all or part of the acquisition or improvement of a project.

(b) The power of condemnation of the Corporation under subsection (a)(3) of this section may not exceed the power of condemnation of the governmental unit in which the property is located.

§10–117.

(a) The Corporation may:

(1) borrow money and issue bonds to finance any part of the cost of a project or for any other corporate purpose of the Corporation;

(2) secure the payment of any portion of the borrowing by pledge of or mortgage or deed of trust on property or revenues of the Corporation;

(3) combine projects for financing, make agreements with or for the benefit of the bondholders or with others in connection with the issuance or future issuance of bonds, as the Corporation considers advisable; and

(4) otherwise provide for the security of bonds and the rights of bondholders.

(b) In addition to the powers of the Corporation under subsection (a) of this section, for the purpose of funding the purchase or condemnation by the State for public use of the property as authorized by §§ 11–520 and 11–521 of the Business Regulation Article, the Corporation may borrow money and issue bonds to finance the cost of acquiring by purchase or completing the condemnation process by the State in accordance with applicable legal standards.

§10–118.

(a) The Corporation may authorize the issuance of revenue bonds by resolution.

(b) The Corporation may issue the bonds at one time or in one or more series from time to time.

(c) The Corporation shall determine:

(1) the date of the bonds;

(2) the maturity dates of the bonds, which may not exceed 40 years from the date of issue;

(3) the interest rates on the bonds;

(4) the medium of payment of the principal of and interest on the bonds;

(5) the form of the bonds;

(6) the manner of executing the bonds;

(7) the denominations of the bonds; and

(8) the place at which the principal of and interest on the bonds will be payable, including at a bank or trust company in or outside the State.

(d) An officer's signature or facsimile signature on a bond remains valid even if the officer leaves office before the bond is delivered.

(e) (1) Between successive holders, bonds are negotiable instruments under Title 3 of the Maryland Uniform Commercial Code.

(2) Bonds may be registrable.

(f) (1) The Corporation shall sell the bonds by competitive or negotiated sale in a manner and for a price the Corporation determines to be in its best interests.

(2) Bonds are exempt from §§ 8-206 and 8-208 of the State Finance and Procurement Article.

(g) Bond proceeds may be placed in escrow pending application of the proceeds to the purposes for which the bonds are issued.

§10–119.

Bonds are securities:

(1) in which any of the following persons may legally and properly invest

money, including capital that the person owns or controls:

(i) an officer of a governmental unit;

(ii) a bank, trust company, savings and loan association, investment company, or other person operating a banking business;

(iii) an insurance association or other person operating an insurance business;

(iv) a personal representative, guardian, trustee, or other fiduciary; and

(v) any other person; and

(2) that may be deposited with and received by a governmental unit or any officer of the State or a governmental unit for any purpose for which the deposit of bonds or other obligations of the State is authorized by law.

§10–120.

(a) (1) This section does not prevent the Corporation from pledging its full faith and credit to the payment of a bond.

(2) This section does not limit the ability of the State or a governmental unit to impose and collect an assessment, rate, fee, or charge to pay to the Corporation any cost, including the principal of and interest on a bond, under an agreement between the Corporation and the State or governmental unit.

(b) (1) A bond:

(i) is not a debt, liability, or a pledge of the full faith and credit of the State or a governmental unit; and

(ii) is payable solely from revenues provided under this subtitle.

(2) The issuance of a bond is not directly, indirectly, or contingently a moral or other obligation of the State or a governmental unit to levy or pledge any tax or to make an appropriation to pay the bond.

(3) Each bond shall state on its face that:

(i) neither the State nor any governmental unit is obliged to pay the principal of or interest on the bond, except from revenues pledged to payment of the bond; and

(ii) neither the full faith and credit nor the taxing power of the State or a governmental unit is pledged to the payment of the principal of or interest on the bond.

§10–121.

(a) (1) The Corporation may secure a bond by a trust agreement between the Corporation and a corporate trustee.

(2) A corporate trustee may be any trust company or bank that has the powers of a trust company in or outside the State.

(3) A corporation or trust company incorporated in the State may:

(i) act as depository of bond proceeds or revenues; and

(ii) furnish an indemnity bond or pledge security that the Corporation requires.

(b) The trust agreement or the resolution that provides for the issuance of a bond may:

(1) state the rights and remedies of bondholders and any trustee;

(2) contain provisions to protect and enforce the rights and remedies of bondholders;

(3) contain covenants stating the duties of the Corporation as to the custody, safeguarding, and application of money;

(4) restrict the individual rights of action of bondholders;

(5) provide for the payment of the bond proceeds and revenues to an officer, board, or depository that the Corporation determines with the safeguards and restrictions that the Corporation determines; and

(6) provide for the method of disbursement of the bond proceeds and revenues, with the safeguards and restrictions that the Corporation determines.

(c) Expenses incurred in carrying out a trust agreement may be treated as part of the cost of operation of the Corporation.

§10–122.

(a) The portion of the proceeds of bonds issued to pay costs of a project may be invested in investments or other obligations that mature no later than the times when the proceeds will be needed.

(b) (1) Except as provided in paragraph (2) of this subsection, the Corporation shall determine the investment of bond proceeds.

(2) If the Corporation loans the proceeds of the bonds to a person as provided in § 10-125 of this subtitle, the loan recipient shall determine the investment

of bond proceeds.

(c) The Corporation or the loan recipient may apply earnings and profits on investments or other obligations:

(1) to the payment of any cost; or

(2) in any other lawful manner.

§10–123.

(a) (1) The Corporation may issue bonds to refund outstanding bonds, including paying:

(i) any redemption premium;

(ii) interest accrued or to accrue to the date of redemption, purchase, or maturity of the bonds; and

(iii) if considered advisable by the Corporation, any part of the cost of a project.

(2) Refunding bonds may be issued for any corporate purpose, including:

(i) realizing savings in the effective costs of debt service, directly or through a debt restructuring;

(ii) alleviating an impending or actual default; or

(iii) relieving the Corporation of a contractual agreement that the Corporation finds to be unreasonably onerous, impracticable, or impossible to perform.

(b) (1) The Corporation may issue refunding bonds in one or more series in an amount greater than the amount of the bonds to be refunded.

(2) (i) In addition to other sources of payment that the Corporation determines, refunding bonds may be payable from escrowed bond proceeds and earnings and profits on investments.

(ii) Escrowed bond proceeds and earnings and profits on investments used under subparagraph (i) of this paragraph constitute revenues of a project under this subtitle.

(c) In the discretion of the Corporation, the proceeds of refunding bonds may be:

(1) applied to the purchase, retirement at maturity, or redemption of outstanding bonds on a date the Corporation determines; and

(2) pending application under item (1) of this subsection, placed in escrow.

(d) (1) The Corporation may invest escrowed refunding bond proceeds in investments and other obligations, maturing on appropriate dates to assure the prompt payment of the principal of, interest on, and any redemption premium on the bonds to be refunded.

(2) (i) Except as provided in subparagraph (ii) of this paragraph, the Corporation shall determine the investment of the proceeds of refunding bonds.

(ii) If the Corporation loans the proceeds of refunding bonds to a person as provided in § 10-125 of this subtitle, the loan recipient shall determine the investment of the proceeds of refunding bonds.

(3) The earnings and profits on investments or other obligations may be applied to the payment of the bonds to be refunded.

(4) After the terms of the escrow have been fully satisfied, the balance of the proceeds and earnings and profits on investments or other obligations may be returned to the Corporation or the loan recipient for use in any lawful manner.

§10–124.

Except to the extent rights granted by this subtitle are restricted by resolution passed before the issuance of the bonds or by the trust agreement, a holder of a bond issued under this subtitle or a trustee under a trust agreement may sue to:

(1) protect and enforce rights under the laws of the State, the resolution, or the trust agreement; and

(2) enforce and compel performance of duties by the Corporation or its officers that this subtitle, the resolution, or the trust agreement requires.

§10–125.

(a) The Corporation may:

(1) lend or otherwise make available the proceeds of bonds to a person to finance costs of a project; and

(2) enter into financing agreements, mortgages, and other instruments that it determines are necessary or desirable to evidence or secure the loan.

(b) (1) The lease for a project may require or authorize the lessee or another person to purchase or otherwise acquire the property for consideration that the Corporation establishes, when:

(i) the principal of and interest on the bonds that financed the cost

of the project are paid; or

(ii) provision satisfactory to the Corporation is made for their payment.

(2) Consideration required under paragraph (1) of this subsection may be nominal.

§10–126.

(a) The Corporation may:

(1) fix and collect rates or charges for its services;

(2) establish the terms and conditions for the services; and

(3) contract with a person for the use of the Corporation's services.

(b) The rates or charges of the Corporation are not subject to supervision or regulation by a governmental unit.

(c) Subject to any agreement, the Corporation may apply the rates, charges, and other revenues received by the Corporation to any lawful purpose.

(d) Except as necessary to pay debt service or implement programs of the Corporation, the net earnings of the Corporation may not benefit a person other than the State.

§10–127.

(a) The Corporation may pledge or assign:

(1) any of its revenues;

(2) any of its rights to receive revenues;

(3) money and securities in accounts established to secure a bond; and

(4) a lien or security interest granted or assignment made to the Corporation.

(b) A pledge or assignment:

(1) is valid and binding against any person having a claim against the Corporation in tort, contract, or otherwise, regardless of whether the person has notice of the pledge or assignment; and

(2) has priority over the claim.

(c) A resolution, trust agreement, assignment, financing agreement or other instrument that creates a lien, security interest, assignment, or pledge under subsection (a) of this section:

(1) shall be filed in the records of the Corporation; but

(2) need not be filed or recorded elsewhere.

§10–128.

(a) With the approval of the legislative body of each governmental unit in which a project is proposed to be located, the Board of Public Works may convey to the Corporation, for economic development purposes, any real property, including improvements, that:

(1) was transferred to the State, by gift or otherwise for substantially below market value, as a vacant or underutilized industrial facility or site;

(2) has existed for at least 10 years; and

(3) is at least 10 acres.

(b) If a person who transfers property described in subsection (a)(1) of this section to the State owns property adjoining the transferred property, the Board of Public Works shall have the first option to purchase the adjoining property at a price determined when the original property was transferred.

(c) Property conveyed under this section may be insured under Title 9 of the State Finance and Procurement Article.

§10–129.

(a) Except as provided in subsection (b) of this section, the Corporation is exempt from any requirement to pay taxes or assessments on its properties or activities, or any revenue from its properties or activities.

(b) Property that the Corporation sells or leases to a private entity is subject to State and local real property taxes from the time of the sale or lease.

(c) The bonds of the Corporation, including the interest on the bonds, are forever exempt from all State and local taxes.

§10–130.

(a) In this section, "Fund" means the Dorchester County Economic Development Fund.

(b) There is a Dorchester County Economic Development Fund in the Corporation.

(c) (1) The Fund is a continuing, nonlapsing fund that is not subject to reversion under § 7–302 of the State Finance and Procurement Article.

(2) The Corporation shall manage and administer the Fund on terms and conditions acceptable to the Corporation and the Department.

(3) The Comptroller shall account and collect for the Fund and disburse the revenues to the trustee maintaining the Fund for the Corporation.

(4) Any investment earnings of the Fund shall be paid into the Fund.

(d) The Fund consists of revenues from the hotel surcharge imposed under § 11-102(b) of the Tax - General Article.

(e) (1) The Fund shall be used to:

(i) complete the Corporation project commonly known as the Chesapeake Bay Conference Center; and

(ii) satisfy the full and final settlement of pending construction claims related to the project and any bonds issued in connection with those claims.

(2) The Fund may be pledged by the Corporation to pay bonds issued to satisfy the full and final settlement of pending construction claims on the project.

§10–131.

(a) (1) As soon as practical after the close of the fiscal year, an independent certified public accountant shall audit the financial books, records, and accounts of the Corporation.

(2) The audit shall include revenue and expense detail for each of the operating facilities of the Corporation.

(3) The Corporation shall select an accountant to conduct the audit who:

(i) is licensed to practice accountancy in the State;

(ii) is experienced and qualified in the accounting and auditing of public entities; and

(iii) does not have a direct or indirect personal interest in the fiscal affairs of the Corporation.

(4) (i) Except as provided in subparagraph (ii) of this paragraph, on or before November 1 after each fiscal year, the accountant shall report the results of the audit, including the accountant's unqualified opinion of the presentation of the financial position of the funds of the Corporation, individual financial detail for each of the operating facilities of the Corporation, and the results of the financial operations of

the Corporation.

(ii) If the accountant cannot express an unqualified opinion, the accountant shall explain in detail the reasons for the qualifications, disclaimers, or opinions, including recommendations for changes that could make future unqualified opinions possible.

(b) The State may audit the books, records, and accounts of the Corporation.

§10–132.

(a) On or before October 1 of each year, the Corporation shall submit a report to the Governor, the Maryland Economic Development Commission, and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

(b) The report shall include a complete operating and financial statement and summarize the activities of the Corporation during the preceding fiscal year.

§10–201.

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

(b) "Authority" means the Maryland Food Center Authority.

(c) "Bond" means a bond, note, or any other obligation issued under this subtitle.

(d) "Center" means the Maryland Food Center.

(e) "Costs", with respect to a development or project, means:

(1) the purchase price;

(2) the cost of any property, right, easement, and franchise considered necessary to construct and establish a development or project;

(3) the cost of relocation of wholesale food dealers or tenants under § 10–212 of this subtitle;

(4) the cost of labor, materials, and equipment, including expenses of relocating public utility facilities under § 10–210 of this subtitle;

(5) financing charges;

(6) interest before and during construction;

(7) the cost of revenue and cost estimates, engineering, architectural, and legal services, plans, specifications, surveys, and other expenses necessary or incident to determining the feasibility or practicability of the construction of a development or

project;

(8) administrative expenses; and

(9) other expenses necessary or incident to:

(i) the financing of a development or project;

(ii) constructing and establishing a development or project; and

(iii) placing a development or project into operation.

(f) "Development" means:

(1) the Center;

(2) a commercial seafood development; and

(3) any other multiproject food–related or agriculturally related real estate development that the Authority undertakes to further the purposes of this subtitle.

(g) (1) "Food" means agricultural and other edible food products and floricultural and horticultural products.

(2) "Food" includes the following:

(i) butter;

(ii) cheese;

(iii) eggs;

(iv) fruits;

(v) meats;

(vi) meat products;

(vii) poultry;

(viii) seafood; and

(ix) vegetables.

(3) "Food" may be in packaged or fresh form.

(4) "Food" shall be liberally construed.

(h) "Improve" means to add, alter, construct, equip, expand, extend, improve,

install, reconstruct, rehabilitate, remodel, or repair.

(i) "Improvement" means addition, alteration, construction, equipping, expansion, extension, improvement, installation, reconstruction, rehabilitation, remodeling, or repair.

(j) (1) "Project" means a facility, operation, or portion of a development that the Authority undertakes to further the purposes of this subtitle.

(2) "Project" includes:

(i) 1. a market;

2. a food handling, processing, storage, or distribution facility; and

3. a commercial seafood facility or operation;

(ii) a facility or service ancillary or appurtenant to a development or a project that the Authority determines will enhance the public convenience or attractiveness of the development or project, including:

1. a bank;

2. a parking or other transportation facility;

3. a restaurant;

4. a store; and

5. any other commercial enterprise;

(iii) land, structures, equipment, furnishings, rail or motor vehicles, barges, and boats in a development or project;

(iv) property and rights in a development or project; and

(v) land and facilities that are functionally related to a development or project.

§10–202.

(a) This subtitle shall be liberally construed to accomplish its purposes.

(b) The establishment of developments and projects under this subtitle is:

(1) for the benefit of the residents of the State and its political subdivisions; and

(2) a public purpose.

§10–203.

A development or project under this subtitle may not include the development of an aquaculture development or project for the commercial raising of finfish, shellfish, or aquatic plants.

§10–204.

(a) The General Assembly finds that:

(1) (i) the marketing of food is a matter of public interest and the maintenance of wholesale market places is and has always been recognized as a public function;

(ii) public health and safety are adversely affected by the unsafe, obsolete, and unsanitary conditions of existing food markets;

(iii) the vast quantities of food and related food products brought annually from all parts of the United States into the wholesale markets in the State must pass through market facilities that are obsolete and inadequate to meet present needs;

(iv) the scattered locations of and difficulty of access to wholesale markets constitute an economic loss, and the obsolescence of markets is responsible for much of the high cost of food handling and for deterioration that takes place both in the wholesale markets and between the markets and the consumer's doorstep;

(v) modern consolidated facilities would result in an annual saving; and

(vi) there is a need for a consolidated wholesale food market in the State, and, in spite of this need, efforts on the part of the State, the City of Baltimore, the wholesale food trade, growers, and the transportation industry have failed to effect the consolidation of wholesale markets satisfactorily;

(2) (i) constructing, operating, and maintaining wholesale markets, and in particular a consolidated market for the State, would require the expenditure of a large sum of money; and

(ii) the financial systems of the political subdivisions of the State are not designed to undertake projects described under item (i) of this item on a not-for-profit, self-liquidating basis, and the best method of creating a market is to establish and authorize a market authority as a public corporation to:

1. acquire land for a market development;

2. construct and operate a market development; and

3. make loans to and otherwise assist persons engaged in the wholesale food industry who want to locate in a market development;

(3) it is in the public interest to:

(i) eliminate or correct the conditions described in item (1) of this subsection regarding the marketing of food; and

(ii) establish an economical and modern method of marketing wholesale food in the State by constructing a modern, sanitary, and accessible market development that may include:

1. warehouse facilities used by wholesalers or retailers principally engaged in the sale of food and used for storage of food and beverages and nonfood products sold from time to time in connection with the sale of food at retail; and

2. any ancillary or appurtenant facility that the Authority determines will enhance the public convenience or attractiveness of the market development including:

A. a bank;

B. a parking or other transportation facility;

C. a restaurant;

D. a store; or

E. any other commercial enterprise; and

(4) (i) there exists a need and the opportunity to capitalize on the vast resources of finfish and shellfish that can be found in the State's coastal waters;

(ii) development of the seafood industry on the Eastern Shore could:

1. provide an opportunity for the State to capitalize on these resources;

2. create new jobs; and

3. produce other economic benefit to the State;

(iii) a centralized seafood project is needed for the development of these resources and resulting economic benefit; and

(iv) the development of the project and these resources would be in

the public interest and can best be accomplished through the Authority.

(b) The General Assembly finds that it is desirable that, when sufficient revenue will be derived from the operation of a project or development to amortize its cost within a reasonable period, the cost be defrayed if practicable by issuing bonds or other debt instruments payable from the revenue derived from project operations.

§10–205.

(a) There is a Maryland Food Center Authority.

(b) The Authority is a body politic and corporate and an instrumentality of the State.

(c) The exercise by the State, a political subdivision of the State, or the Authority of a power under this subtitle is the performance of an essential governmental function.

(d) (1) The Authority consists of 12 members.

(2) (i) Each member shall be a resident of the State.

(ii) One member shall reside in Howard County.

(3) Of the 12 members:

(i) four shall be ex officio members:

1. the Director of Agricultural Extension;

2. the Comptroller;

3. the Secretary of Agriculture; and

4. the Secretary of General Services; and

(ii) eight shall be outstanding residents appointed by the Governor with the advice and consent of the Senate.

(e) (1) The term of an appointed member is 5 years.

(2) At the end of a term, an appointed member continues to serve until a successor is appointed and qualifies.

(3) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(f) (1) Thirty days after giving written notice to the member, the Governor may remove an appointed member for inefficiency, neglect, or misconduct.

(2) The member is entitled to a hearing before the Governor, if a written request for a hearing is made to the Governor no later than 10 days after receiving the notice.

(3) If a member is removed, the Governor shall promptly appoint a successor.

(g) (1) From among its members, the Authority shall elect a chair and a vice chair.

(2) The Authority shall elect a secretary–treasurer who need not be a member of the Authority.

(h) (1) The Authority shall meet at least quarterly.

(2) At least 10 days before each meeting, written notice of the meeting shall be given to each member of the Authority.

(i) Seven members of the Authority are a quorum.

(j) (1) A majority vote of the members present at a meeting having a quorum is needed for the Authority to act.

(2) An ex officio voting member may designate another individual to vote in that member's absence.

(k) (1) The Authority may pay an appointed member up to $1,000 a year on a per diem basis for services.

(2) A member of the Authority is entitled to reimbursement for expenses under the Standard State Travel Regulations.

(3) Reimbursement and compensation under this subsection may only be paid from money provided under this subtitle.

(l) The Authority shall adopt rules and regulations necessary for the conduct of its affairs.

§10–206.

The Authority may employ or retain officers, staff, and agents, including engineering, architectural, fiscal, and construction experts and attorneys, and set their compensation.

§10–207.

(a) Except as otherwise provided in this subtitle, the Authority:

(1) is not subject to the following provisions of the State Finance and

Procurement Article:

(i) Title 2, Subtitles 4 (Water and Sewerage Systems) and 5 (Facilities for the Handicapped);

(ii) Title 4, Subtitles 7 (State Board of Architectural Review) and 8 (Energy);

(iii) §§ 5A-304 and 5A-305 (Historic Landmarks; certain architectural easements);

(iv) § 7-114.1 (Archeological Costs);

(v) §§ 8-127, 8-128, and 8-129 (Certain Restrictions on State General Obligation Debt);

(vi) Part V of Title 8, Subtitle 1 (State Revenue Anticipation Notes);

(vii) Title 10 (Board of Public Works - Miscellaneous Provisions); and

(viii) Division II of the State Finance and Procurement Article (General Procurement Laws); and

(2) may construct developments and projects without obtaining the consent of any other unit of State government and without any proceeding, the satisfaction of any condition, or the occurrence of any event.

(b) (1) In carrying out its duties relating to developments and projects, the Authority shall comply with Title 14, Subtitle 3 of the State Finance and Procurement Article (Minority Business Participation).

(2) The Authority shall take affirmative steps to include minority businesses in its markets to at least the same extent as applicable to a procurement subject to Title 14, Subtitle 3 of the State Finance and Procurement Article.

(c) A development or project is subject to applicable State health laws and regulations of the Secretary of Health and Mental Hygiene and the Secretary of the Environment.

(d) A development or project is subject to all zoning and subdivision regulations of the political subdivision in which the development or project is located.

§10–208.

(a) The money of the Authority may be invested.

(b) Any income from the investment of money of the Authority shall be credited to the Authority.

§10–209.

(a) The Authority may:

(1) sue and be sued;

(2) adopt a seal;

(3) acquire, hold, and dispose of property for its corporate purposes;

(4) sell, lease, or otherwise convey, in any manner that the Authority considers appropriate, any property it owns to accomplish the purposes of this subtitle;

(5) enter into contracts and leases, including contracts or leases relating to the construction, operation, maintenance, management, and use of developments and projects, concessions, stalls, auction houses, docking facilities, and other facilities, and execute any instrument necessary or convenient, on the terms and for any corporate purpose that the Authority considers advisable;

(6) issue bonds in accordance with this subtitle;

(7) use the proceeds of the bonds, other money available under this subtitle, or any grant or money from the State or federal government or any of their units or instrumentalities to accomplish the purposes of this subtitle;

(8) borrow money for a corporate purpose and mortgage or otherwise encumber its property as security for the loan;

(9) accept gifts, contributions, or loans of money, supplies, goods, and services, and accept appropriations, allotments, and loans of money from the State or federal government, a federal corporation, a unit or instrumentality of the federal government, or a political subdivision or instrumentality of the State;

(10) exercise a power usually possessed by a private corporation in performing similar functions unless to do so would conflict with State law;

(11) dredge approaches and acquire, construct, maintain, equip, and operate wharves, docks, piers, and other structures, and any facilities necessary for commerce; and

(12) do all things necessary or convenient to carry out the powers expressly granted by this subtitle.

(b) (1) Subject to paragraph (2) of this subsection, the Authority may delegate any power or duty it considers appropriate to a member, an officer, an agent, or an employee of the Authority.

(2) A contract is not binding on the Authority unless it is approved or

authorized by a majority of the members of the Authority.

§10–210.

(a) Subject to subsection (b) of this section, the Authority may adopt rules and regulations relating to:

(1) the use of streets, alleys, driveways, and docking slips on the Authority's property;

(2) the establishment of parking areas on the Authority's property; and

(3) the safety and welfare of persons using the Authority's property.

(b) The rules and regulations that the Authority adopts may not be inconsistent with the laws governing the political subdivision in which a development is located.

§10–211.

(a) The Authority may acquire in its own name property, franchises, and licenses by:

(1) purchase on terms and conditions and in the manner the Authority considers appropriate; or

(2) condemnation for public use in accordance with applicable law.

(b) (1) If the Authority considers it expedient to establish or construct a development or project on any land, street, alley, or public place that is owned by a political subdivision, the political subdivision may:

(i) lease the land, street, alley, or public place to the Authority on terms agreed to by the Authority and the political subdivision; or

(ii) convey title to the land, street, alley, or public place to the Authority on payment to the political subdivision of the reasonable value of the property, as determined by the Authority and the political subdivision, in cash or bonds of the Authority at par.

(2) (i) Notwithstanding paragraph (1) of this subsection, a political subdivision may lease or convey to the Authority without consideration any property that is owned by the political subdivision and suitable for use by the Authority for the purposes of this subtitle.

(ii) A lease or conveyance under this paragraph requires approval by the political subdivision or, for Baltimore City, by the Board of Estimates.

(3) Before an acquisition under this subsection, the Authority, on request of a political subdivision, shall remove or relocate at the expense of the Authority any

public utility facilities, whether publicly or privately owned or operated, located on the property.

(c) The Authority may not acquire a site under this section for the establishment or construction of a development, or establish or construct a development on a site, unless the site is approved:

(1) for Baltimore City, by the Board of Estimates; and

(2) for any other political subdivision, by the county commissioners, county executive, or in a charter county without a county executive, the county council, or in a municipal corporation, by its governing body.

(d) The Authority need not accept and pay for any property or rights it acquires except from money provided under this subtitle.

§10–212.

(a) The Authority may:

(1) develop, establish, acquire, improve, own, operate, and maintain developments and projects in the State; and

(2) pay the cost of developments or projects, including improvements to any waterways at a development or project, from:

(i) the proceeds of bonds;

(ii) other money available under this subtitle; or

(iii) money from the State or federal government or any of their units or instrumentalities.

(b) Construction of a development may not begin unless a comprehensive study establishes that the construction and operation of the development would be economically and environmentally sound.

(c) Except for the Center, construction of a development may not begin unless:

(1) an analysis of the economic benefits of the proposed development is submitted to the Legislative Policy Committee, in accordance with § 2-1246 of the State Government Article; and

(2) the Legislative Policy Committee is given 45 days after receipt to comment on the proposal.

(d) (1) This subsection does not apply to facilities constructed on land leased or sold by the Authority to a private entity.

(2) Before contracting to construct a facility at a development or project, the Authority shall solicit sealed bids.

(e) (1) All plans and any issue of bonds to finance a development or project require approval by the Board of Public Works by resolution before the bonds are sold.

(2) All leases of real property and plans and contracts for the acquisition conveyance of real property require approval by the Board of Public Works.

§10–213.

(a) The Authority may assist wholesale food dealers and tenants who want to locate or relocate their operations in a development or project if, in the judgment of the Authority:

(1) the wholesale food dealers and tenants will provide the greatest opportunity of success for a development or project; and

(2) the cost of the assistance is the most likely to be recouped.

(b) To assist a wholesale food dealer or tenant, the Authority may:

(1) acquire, by negotiation and purchase, the land, structures, equipment, or leases, or an interest in them, of the wholesale food dealer or tenant; and

(2) pay the reasonable expenses of moving personal property that must be moved to locate or relocate the operations of the wholesale food dealer or tenant in a development or project.

§10–214.

(a) The Authority may:

(1) fix and collect rates and charges for the use of the facilities of a development or project;

(2) establish the terms and conditions for the use of the facilities; and

(3) contract with a person for the person's use of the facilities of a development or project.

(b) The rates and charges under subsection (a) of this section shall be fixed and revised to provide appropriate revenues from a development or project, as the Authority determines.

(c) The rates and charges under subsection (a) of this section are not subject to supervision or regulation by any other unit of the State or a political subdivision.

§10–215.

A political subdivision in which a development or project is located may:

(1) vacate any street, alley, or other public place necessary to ensure the proper operation of the development or project and the full use of its facilities; and

(2) grant to the Authority the exclusive right to use the vacated street, alley, or other public place for the purpose of the development or project on terms agreed to by the Authority and the political subdivision.

§10–216.

Subject to the terms and conditions agreed to by the Authority and the State or the political subdivision, the State or a political subdivision in which a development or project is located may provide for:

(1) cleaning the development or project; and

(2) removing and disposing of refuse from the development or project.

§10–217.

(a) (1) "Person" has the meaning stated in § 9-101 of this article.

(2) "Person" also includes a public or quasi-public corporation.

(b) Subject to subsection (c) of this section, the Authority may provide financing to a person to accomplish the purposes of this subtitle:

(1) on property that is owned or otherwise held or controlled by the Authority or the State; or

(2) on, under, or in property that is owned or otherwise held or controlled by any other person.

(c) (1) This subsection does not apply to an expenditure of money:

(i) in connection with the acquisition of property or the preparation of plans;

(ii) to the employment of staff of the Authority; or

(iii) for other matters that customarily are preliminary to the commencement of construction.

(2) If the Authority provides financing to a person to accomplish the purposes of this subtitle, the Authority may not expend any bond proceeds to acquire or improve a facility until the Authority, with the approval of the Board of Public

Works, has entered into a binding contract with the person.

(3) The contract shall:

(i) be secured to the satisfaction of the Board of Public Works; and

(ii) require the person to pay to the Authority or its designee:

1. the principal of and interest on bonds sold under this subtitle as they become due;

2. any fiscal agency charges for paying principal and interest;

3. any charges or fees set by the Authority for its administrative costs and expenses; and

4. any premium on bonds retired by call or purchased as provided in this subtitle.

(d) The Authority may charge to and equitably apportion between persons financed by the Authority under this section all or part of the Authority's administrative costs and expenses incurred in exercising its powers and performing its duties under this subtitle.

(e) If property is transferred by the Authority to a person financed under this section, the person shall pay any State and local property taxes that accrue after the transfer.

§10–218.

(a) The Authority may authorize the issuance of federally tax-exempt or federally taxable revenue bonds by resolution.

(b) The Authority may issue revenue bonds:

(1) to pay any part of the cost of developments or projects;

(2) to fund a deficit in accordance with subsection (i) of this section;

(3) to pay the cost of improvements of developments or projects in accordance with subsection (j) of this section;

(4) to refund outstanding bonds issued under this subtitle; and

(5) for any other purpose set forth in this subtitle.

(c) The Authority may issue the bonds at one time or in one or more series from time to time.

(d) The Authority shall determine:

(1) the dates of the bonds;

(2) the maturity dates of the bonds, which may not exceed 40 years from the date of their issue;

(3) the interest rates on the bonds;

(4) the medium of payment of the principal of and interest on the bonds;

(5) interest payment dates on the bonds, which shall occur twice in every 12 months;

(6) the form of the bonds;

(7) the manner of executing the bonds;

(8) the denominations of the bonds; and

(9) the places at which the principal of and interest on the bonds will be payable, including a bank or trust company in or outside the State.

(e) The bonds may be redeemed before maturity at the option of the Authority at the prices and under terms and conditions that the Authority sets before the bonds are issued.

(f) An officer's signature or facsimile on a bond remains valid even if the officer leaves office before the bond is delivered.

(g) (1) The Authority shall sell the bonds either by competitive or negotiated sale in a manner and for a price that the Authority determines to be in its best interests.

(2) The bonds are exempt from §§ 8-206 and 8-208 of the State Finance and Procurement Article.

(h) (1) Before it prepares definitive revenue bonds, the Authority may issue temporary revenue bonds meeting the requirements of this section that are exchangeable for definitive revenue bonds when issued.

(2) The Authority may replace bonds that are mutilated, lost, or destroyed.

(3) The Authority may issue replacement bonds or bonds exchanged for temporary revenue bonds without:

(i) another proceeding; or

(ii) the satisfaction of any other condition.

(i) (1) If the proceeds of the bonds are less than the amount required for the purpose for which the bonds were authorized, the Authority may issue additional bonds to fund the amount of the deficit.

(2) Unless otherwise provided in the resolution authorizing the issuance of bonds or in the trust agreement, the additional bonds are:

(i) considered to be of the same issue as the first issue; and

(ii) entitled to payment from the same funds as the first issue, without preference or priority of the bonds of the first issue.

(j) (1) The resolution authorizing the issuance of bonds may provide for the issuance of additional bonds to pay the cost of any necessary improvements.

(2) The additional bonds:

(i) may be limited in amount by the resolution or trust agreement;

(ii) shall be considered part of the first issue authorized by the resolution; and

(iii) shall be issued under the restrictions and limitations provided by the resolution or trust agreement.

§10–219.

Bonds are securities:

(1) in which any of the following persons may legally and properly invest money, including capital that the person owns or controls:

(i) an officer or unit of the State or a political subdivision;

(ii) a bank, trust company, savings and loan association, investment company, or other person conducting a banking business;

(iii) an insurance company, insurance association, or other person conducting an insurance business;

(iv) a personal representative, guardian, trustee, or other fiduciary; and

(v) any other person; and

(2) that may be deposited with and received by a unit of the State or a political subdivision for any purpose for which the deposit of bonds or other obligations of the State is authorized by law.

§10–220.

(a) A bond is not a debt or a pledge of the faith and credit of the State or a political subdivision, and is payable solely from development or project revenues as provided in accordance with this subtitle.

(b) Each bond shall state on its face that the Authority, the State, and a political subdivision of the State are not obliged to pay the principal of or interest on the bond except from the development or project revenues pledged to the payment of the bond.

§10–221.

(a) (1) The Authority may secure a bond by a trust agreement between the Authority and a corporate trustee.

(2) A corporate trustee may be any trust company or bank that has the powers of a trust company in or outside the State.

(b) The trust agreement or the resolution that provides for the issuance of a bond may:

(1) provide for the protection and enforcement of rights and remedies of bondholders, including covenants setting forth the duties of the Authority in relation to:

(i) acquisition, improvement, maintenance, operation, and insurance of the development or project; and

(ii) custody, safeguarding, and application of money;

(2) provide for the rights and remedies of bondholders and of the trustee;

(3) restrict the individual right of action by bondholders as is customary in trust agreements securing bonds of corporations;

(4) provide for the deposit of the proceeds of the sale of bonds and the revenue of a development or project with an officer, board, or depositary that the Authority designates as custodian; and

(5) provide for the method of disbursing the proceeds and revenues with safeguards and restrictions that the Authority determines.

(c) (1) Except as provided in paragraph (2) of this subsection and § 10-222 of this subtitle, a trust agreement may pledge or assign revenues to be received from the development or project.

(2) No portion of a development or project may be conveyed or mortgaged without the express consent of the Board of Public Works.

(d) The trust agreement may authorize the use of money realized from the sale or disposition of any of the property of a development or project to pay principal of and interest on the bonds.

(e) Expenses incurred in carrying out a trust agreement may be treated as part of the cost of maintenance, repair, and operation of a development or project.

(f) A bank or trust company incorporated in the State may act as a depositary of the proceeds of the bonds or the revenues and furnish indemnity bonds or pledge securities as required by the Authority.

§10–222.

(a) The Authority shall apply the proceeds of the bonds for the purposes for which the bonds are authorized.

(b) (1) The Authority shall set aside a sufficient amount of the revenues derived from a development or project in a sinking fund or other similar fund at regular intervals to the extent required in the trust agreement or resolution.

(2) The sinking fund is pledged to paying:

(i) the principal of and the interest on the bonds as they become due; and

(ii) the redemption or purchase price of bonds retired by call or purchase as specified in the trust agreement or resolution.

(c) To the extent provided in the trust agreement or resolution, the Authority may exclude from the amount to be deposited in the sinking fund the revenues that may be necessary or convenient:

(1) to pay for maintenance, repair, and operation of a development or project;

(2) for reserves; and

(3) for improvements to a development or project.

(d) (1) The lien of the pledge of revenues under subsection (b) of this section is valid and binding from the time the pledge is made.

(2) The lien of the pledge is valid and binding against each party with a claim against the Authority in tort, contract, or otherwise, regardless of whether the party has notice of the lien.

§10–223.

The Authority may authorize the issuance of a single issue of revenue bonds by

resolution for the combined purposes of:

(1) paying the cost of improvements of developments or projects; and

(2) refunding bonds.

§10–224.

Except to the extent rights granted by this subtitle are restricted by resolution passed before the issuance of the bonds or by the trust agreement, a holder of a bond issued under this subtitle, or of any attached coupons, or a trustee under a trust agreement may sue to:

(1) protect and enforce a right under the laws of this State, the resolution, or the trust agreement; and

(2) enforce the performance of duties by the Authority, the State, or a political subdivision or officer or any of them that this subtitle or the trust agreement requires, including fixing, charging, and collecting of rates and charges to use facilities that are subject to the resolution or trust agreement.

§10–225.

(a) The Authority may pledge or assign:

(1) any of its revenues;

(2) its rights to receive its revenues;

(3) money or securities in accounts established to secure a bond; or

(4) a lien or security interest granted or assignment made to the Authority.

(b) (1) A pledge or assignment under subsection (a) of this section is valid and binding from the time the pledge or assignment is made.

(2) A lien, security interest, or assignment under subsection (a) of this section:

(i) attaches immediately to the revenues or property pledged and then received by the Authority, without any physical delivery or further act; and

(ii) is valid and binding against any person having a claim against the Authority, regardless of whether the person has notice of the pledge, and without the recording or filing of an instrument.

§10–226.

(a) Subject to § 10-217(e) of this subtitle, the Authority is exempt from taxation

or assessments on any part of a development or project, the Authority's activities in operating and maintaining a development or project, and revenues from a development or project.

(b) The bonds of the Authority, including the interest on the bonds, are forever exempt from State and local taxes.

§10–227.

(a) The Legislative Auditor:

(1) may conduct a fiscal and compliance audit of the accounts and transactions of the Authority yearly or every 2 years; and

(2) shall advise officials of the Authority whether the audit will be yearly or every 2 years.

(b) The Authority shall pay the cost of the fiscal part of the post audit examination.

§10–228.

(a) Each year, the Authority shall submit a report to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

(b) The report shall include a financial statement covering the operations of developments during the preceding fiscal year.

§10–229.

This subtitle may be cited as "The Maryland Food Center Authority Act".

§10–301.

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

(b) "Authority" means the Maryland Health and Higher Educational Facilities Authority.

(c) (1) "Bond" means a bond issued by the Authority under this subtitle.

(2) "Bond" includes a revenue bond, a revenue refunding bond, a note, and any other obligations.

(d) "Cost", with respect to a project financed under this subtitle, includes:

(1) the purchase price of a project;

(2) the cost to acquire any right, title, or interest in a project;

(3) the cost of any improvement;

(4) the cost of any property, right, easement, and franchise;

(5) the cost of demolition, removal, or relocation of structures;

(6) the cost of acquiring land to which the structures may be moved;

(7) the cost of equipment;

(8) financing charges;

(9) interest before and during construction and, if the Authority determines, for a limited period after the completion of construction;

(10) reserves for principal and interest and for improvements;

(11) the cost of revenue and cost estimates, architectural, engineering, financial, and legal services, plans, specifications, studies, surveys, and other expenses necessary or incident to determining the feasibility of improving a project; and

(12) other expenses as necessary or incident to:

(i) financing a project;

(ii) acquiring and improving a project; and

(iii) placing a project in operation.

(e) "Educational institution" means an institution of higher education or a noncollegiate educational institution.

(f) "Finance" includes refinance.

(g) (1) "Health care institution" means an institution in the State that is operated by a person, a local government, or, subject to paragraph (3) of this subsection, the State, is available to the public, and is:

(i) a not–for–profit hospital as defined under § 19–301 of the Health – General Article that:

1. is licensed as a hospital by the Secretary of Health and Mental Hygiene under § 19–318 of the Health – General Article; or

2. has obtained a certificate of need issued by the Maryland Health Care Commission under § 19–120 of the Health – General Article, but is not licensed as a hospital by the Secretary of Health and Mental Hygiene under § 19–318 of the Health – General Article;

(ii) a not–for–profit related institution as defined under § 19–301 of the Health – General Article that is licensed as a related institution by the Secretary of Health and Mental Hygiene under § 19–318 of the Health – General Article;

(iii) a combination of institutions listed in items (i) and (ii) of this paragraph;

(iv) except as provided in paragraph (3) of this subsection:

1. a not–for–profit comprehensive health center that provides outpatient primary health services available to the general public; or

2. a not–for–profit life care or continuing care community that provides self–contained residence facilities for the retired or elderly;

(v) any combination of health care entities listed in item (iv) of this paragraph;

(vi) an entity affiliated or associated with an institution listed in items (i) through (v) of this paragraph, if the Authority determines by resolution that the financing of a project for the entity serves the public purpose of that institution; or

(vii) a not–for–profit health service plan that holds a certificate of authority and provides health insurance policies or contracts in the State in accordance with the Insurance Article.

(2) "Health care institution" includes a not–for–profit corporation organized to construct or acquire an institution under paragraph (1) of this subsection.

(3) "Health care institution" does not include a facility described in paragraph (1)(iv) of this subsection that is owned and operated by the State, except for the following facilities if approved by the Board of Public Works and the Joint Audit Committee:

(i) a not–for–profit comprehensive health center that is a medical or health care facility of the University System of Maryland; or

(ii) a not–for–profit life care or continuing care community that provides self–contained residence facilities for the retired or elderly.

(4) For purposes of this subsection the facilities of the University of Maryland Medical System Corporation are not considered to be owned and operated by the State.

(h) "Improve" means to add, alter, construct, equip, expand, extend, improve, install, reconstruct, rehabilitate, remodel, or repair.

(i) "Improvement" means addition, alteration, construction, equipping,

expansion, extension, improvement, installation, reconstruction, rehabilitation, remodeling, or repair.

(j) (1) "Institution of higher education" means an educational institution in the State that:

(i) by law or charter:

1. is a public or not–for–profit educational institution; and

2. is authorized to provide:

A. a program of education beyond the high school level and award a bachelor's or advanced degree; or

B. a program of 2 or more years' duration that is accepted for full credit toward a bachelor's degree; and

(ii) meets the standards and regulations that the Maryland Higher Education Commission prescribes, and is authorized to issue a certificate, diploma, or degree under Title 12 of the Education Article.

(2) "Institution of higher education" includes:

(i) a community college for which a board of community college trustees is established under § 16–101 of the Education Article;

(ii) a regional community college established under § 16–202 of the Education Article;

(iii) the Baltimore City Community College established under § 16–501 of the Education Article; and

(iv) the College of Southern Maryland established under § 16–603 of the Education Article.

(3) "Institution of higher education" does not include an institution owned and operated by the State other than an institution listed in paragraph (2) of this subsection.

(k) "Noncollegiate educational institution" means a noncollegiate educational institution as defined in § 2–206 of the Education Article that:

(1) has received a certificate of approval from the State Board of Education; or

(2) is an institution operated by a bona fide church organization.

(l) "Participating institution" means a participating educational institution or

a participating health care institution that receives assistance under this subtitle.

(m) (1) With respect to an educational institution:

(i) "project" means a structure or facility that is required or useful for an educational institution;

(ii) "project" includes:

1. a structure suitable for use as a dormitory or other housing facility, dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, health care facility, maintenance facility, storage facility, utility facility, or parking facility; and

2. equipment and other similar items; and

(iii) "project" does not include books, fuel, supplies, or other items that customarily result in a current operating charge.

(2) With respect to a health care institution:

(i) "project" means a structure or facility that is required or useful for the effective operation of a health care institution;

(ii) "project" includes:

1. a structure suitable for use as a hospital, clinic, or other health care facility, laboratory, training facility for nursing or another health program, laundry, a residence for nurses or interns, or a parking facility; and

2. equipment and other similar items; and

(iii) "project" does not include fuel, supplies, or other items that customarily result in a current operating charge.

(n) "Sinking fund" means a fund established under § 10–328 of this subtitle.

(o) (1) "Trust agreement" means an agreement entered into by the Authority to secure a bond.

(2) "Trust agreement" may include a bond contract, bond resolution, or other contract with or for the benefit of a bondholder.

§10–302.

(a) This subtitle is necessary for the welfare of the State and its residents and shall be construed liberally to accomplish its purposes.

(b) This subtitle:

(1) is supplemental authorization and is in addition to the powers conferred by other laws; and

(2) does not derogate any powers.

§10–303.

(a) The General Assembly finds that, for the benefit of the people of the State, the increase of their commerce, welfare, and prosperity, and the improvement of their health and living conditions, that:

(1) it is essential that:

(i) people have the fullest opportunity to learn and to develop intellectual capacities;

(ii) educational institutions in the State have the appropriate means to assist people in achieving required levels of learning and development of intellectual capacities;

(iii) health care institutions in the State have appropriate means to expand and establish hospitals and other related health care facilities; and

(iv) educational institutions and health care institutions in the State are able to finance projects at the least cost to their users;

(2) existing facilities for education and health care and existing financing vehicles available to these institutions are insufficient to meet these needs; and

(3) these institutions are not able with present means to improve and adequately finance sufficient facilities, in order to provide the facilities at the least cost to their users.

(b) The purposes of the Authority are to:

(1) assist educational institutions and health care institutions in the acquisition, improvement, and financing of projects; and

(2) provide assistance that enables educational institutions and health care institutions to finance, at the least cost to their users, the facilities and structures that are needed to accomplish the purposes of this subtitle.

§10–306.

(a) There is a Maryland Health and Higher Educational Facilities Authority.

(b) The Authority is a body politic and corporate and is an instrumentality of the State.

(c) The exercise of a power under this subtitle is the performance of an essential governmental function.

(d) The exercise of a power under this article is:

(1) for the benefit of the people of the State;

(2) to increase their commerce, welfare, and prosperity; and

(3) to improve their health, education, and living conditions.

§10–307.

(a) The Authority consists of the following nine members:

(1) eight residents of the State appointed by the Governor; and

(2) the Treasurer or a deputy treasurer designated by the Treasurer.

(b) Each year the Governor shall designate one member as chair and one as vice chair.

(c) Before taking office, each member shall take an oath to administer the duties of the office faithfully and impartially.

(d) (1) The term of an appointed member is 5 years and begins on July 1.

(2) The terms of members are staggered as required by the terms in effect for members of the Authority on October 1, 2008.

(3) At the end of a term, a member continues to serve until a successor is appointed and qualifies.

(4) The Governor shall fill any vacancy for the unexpired term.

(e) The Governor may remove an appointed member at any time.

§10–308.

(a) (1) Five members of the Authority are a quorum.

(2) The affirmative vote of a majority of members present at a meeting having a quorum is required for the Authority to take any action.

(3) The Authority may take action under this subtitle by passing a resolution at a regular or special meeting.

(4) A resolution shall take effect immediately and without being published or posted.

(b) A member of the Authority:

(1) may not receive compensation as a member of the Authority; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations.

§10–309.

(a) (1) Subject to the approval of the Governor, the Authority shall appoint an Executive Director.

(2) The Executive Director serves at the pleasure of the Authority.

(3) The Authority shall determine the compensation of the Executive Director.

(4) The Executive Director may not be a member of the Authority.

(b) Subject to the supervision of the Authority, the Executive Director is the chief administrative officer of the Authority.

(c) The Executive Director:

(1) shall keep a record of the proceedings of the Authority; and

(2) is the custodian of all books and documents filed with the Authority, the records of the Authority, and the seal of the Authority.

§10–310.

(a) (1) Subject to the approval of the Governor, the Authority may appoint a full-time or part-time General Counsel.

(2) The General Counsel serves at the pleasure of the Authority.

(3) The Authority shall determine the compensation of the General Counsel.

(4) The General Counsel may not be a member of the Authority.

(b) The General Counsel, if appointed, is the legal advisor to the Authority and, at the direction of the Authority, shall represent the Authority in judicial or other proceedings.

§10–311.

(a) The Authority may determine the duties of all its officers.

(b) The Authority may appoint additional officers.

(c) (1) Additional officers serve at the pleasure of the Authority.

(2) The Authority shall determine the compensation of the additional officers.

§10–312.

The Authority may employ professional and other staff and retain engineers, architects, accountants, construction and financial experts, managers, and other professionals that it considers necessary and set their compensation.

§10–313.

(a) The Authority shall follow State procedures to obtain, for internal administrative functions, office space, supplies, facilities, materials, equipment, and professional services.

(b) Each member, the Executive Director, each other officer, and each employee of the Authority shall be covered by a surety bond in accordance with Title 9, Subtitle 17 of the State Government Article.

§10–314.

(a) The Authority may:

(1) adopt bylaws for the conduct of its business;

(2) sue and be sued;

(3) adopt a seal;

(4) maintain an office at a place it designates;

(5) issue bonds in accordance with this subtitle;

(6) accept a grant, loan, or other assistance in any form from any public or private source, subject to the provisions of this subtitle;

(7) charge to and equitably allocate among participating institutions the administrative costs and expenses of carrying out this subtitle; and

(8) do all things necessary or convenient to carry out the powers expressly granted by this subtitle.

(b) (1) A health care institution may not use any money received from a bond issued by the Authority to match any State loan or grant that is available for improvement of a health care institution.

(2) The Authority shall comply with the terms and conditions of assistance received in accordance with subsection (a)(6) of this section.

(c) The Authority may delegate to a member or officer a power granted to the Authority by this subtitle, including the power to execute a bond, certificate, deed, lease, mortgage, agreement, or other document or instrument.

§10–315.

(a) The Authority may:

(1) (i) acquire, directly or through a participating institution acting as its agent, by purchase, gift, or devise, any property, franchises, and other interests in land, including submerged land and riparian rights, located in or outside the State, as necessary or convenient to construct, acquire, or operate a project, on terms and at prices the Authority considers reasonable; and

(ii) take title to the property in the name of the Authority or the participating institution as its designated agent;

(2) determine the location and character of a project to be financed under this subtitle, or designate a participating institution as its agent to do so;

(3) directly, or through a participating institution acting as its designated agent, acquire, improve, maintain, operate, lease as lessee or lessor, and regulate a project, and enter into contracts for any of these purposes and for the management of a project;

(4) fix and collect rates, rentals, fees, and charges for services and facilities that a project provides or makes available;

(5) directly, or through a participating institution acting as its designated agent, establish rules and regulations for the use of a project;

(6) mortgage, pledge, or otherwise encumber a project and its site or hold a mortgage or other encumbrance on a project and its site for the benefit of the holders of bonds issued to finance the project; and

(7) make a loan to a participating institution to:

(i) improve or acquire a project in accordance with an agreement between the Authority and the participating institution;

(ii) refinance any part of a project; and

(iii) refund or repay bonds, mortgages, advances, loans, or other obligations of the participating institution to the Authority, any person, or any unit of federal, State, or local government incurred to finance any part of a project.

(b) The Authority may undertake a joint project for two or more participating institutions.

(c) A loan from the Authority to a participating institution under subsection (a)(7)(i) of this section may not exceed the total cost of the project as determined by the participating institution and approved by the Authority.

§10–316.

(a) Expenses incurred under this subtitle are payable only from money obtained under this subtitle.

(b) The Authority may not incur a liability in excess of money obtained under this subtitle.

§10–317.

(a) (1) The Executive Director and each other officer authorized by the Authority may:

(i) allow copies to be made of the minutes and records of the Authority; and

(ii) certify records under seal showing that the copies are true copies.

(2) A person may rely on the certified record.

(b) The records of the Authority are public records subject to reasonable inspection.

§10–318.

(a) At least once each year the Authority shall have its books audited by a certified public accountant.

(b) The Authority shall pay for the cost of the audit from money available to it under this subtitle.

§10–319.

(a) On or before October 1 of each year, the Authority shall report to the Governor on its activities for the preceding fiscal year.

(b) The report shall include a complete operating and financial statement covering the operations of the Authority during the preceding fiscal year.

§10–320.

(a) A law to terminate the Authority may not take effect until adequate

provision is made to pay each outstanding bond and other obligation of the Authority.

(b) On termination of the Authority, its rights and property pass to the State.

§10–323.

(a) (1) The Authority may periodically:

(i) issue bonds for any corporate purpose, including operating expenses;

(ii) refund those bonds;

(iii) purchase its bonds with any funds available; and

(iv) hold, pledge, cancel, or resell bonds.

(2) By resolution, the Authority may authorize the chair, vice chair, one of its members, or a committee of its members to determine, provide for, or approve any matters relating to bonds that the Authority considers appropriate including:

(i) specifying, determining, prescribing, and approving matters, documents, and procedures that relate to the authorization, sale, security, issuance, delivery, and payment of and for the bonds;

(ii) creating security for the bonds;

(iii) providing for the administration of bond issues; and

(iv) taking other actions it considers appropriate concerning the bonds.

(3) The power granted in paragraph (2) of this subsection is in addition to powers conferred on the Authority by this subtitle and does not limit any power of the Authority under this subtitle.

(4) (i) Subject to subparagraph (ii) of this paragraph, the Authority may authorize the Executive Director to take any of the actions described in paragraph (2) of this subsection.

(ii) If the Authority authorizes the Executive Director to take any of the actions described in paragraph (2) of this subsection, the Authority shall prescribe limits within which the Executive Director may exercise discretion.

(b) (1) Except as otherwise provided by the Authority, each issue of its bonds is a general obligation of the Authority payable from any revenues or moneys of the Authority that are available and not otherwise pledged.

(2) The provisions of paragraph (1) of this subsection are subject to any

agreements with:

(i) holders of particular bonds pledging any particular revenues or moneys; and

(ii) any participating institution.

(c) For each issue of its bonds, the Authority shall pass a resolution that:

(1) specifies and describes the project for which the proceeds of the bond issuance are intended;

(2) generally describes the public purpose and the financing transaction to be accomplished;

(3) specifies the maximum principal amount of the bonds that may be issued by the Authority; and

(4) imposes any terms or conditions on the issuance and sale of the bonds that the Authority considers appropriate.

(d) Subject to any provision for their registration, bonds are negotiable instruments for all purposes regardless of whether they are payable from a special fund.

(e) (1) The bonds may be:

(i) serial bonds;

(ii) term bonds; or

(iii) both in the discretion of the Authority.

(2) Subject to any delegation under subsection (a)(2) of this section, the resolution authorizing bonds may provide:

(i) the dates of the bonds;

(ii) the maturity dates of the bonds;

(iii) the interest rates on the bonds;

(iv) the time at which the bonds will be payable;

(v) the denominations of the bonds;

(vi) whether the bonds will be in a coupon or registered form;

(vii) any registration privileges of the bonds;

(viii) the manner of execution of the bonds;

(ix) the place at which the bonds will be payable; and

(x) any terms of redemption of the bonds.

(3) The bonds shall mature within a period not to exceed 50 years after their date.

(4) The bonds shall be payable in United States currency.

(f) The bonds may be sold by competitive or negotiated sale at a price determined by the Authority.

(g) Pending preparation of the definitive bonds, the Authority may issue interim receipts or certificates that will be exchanged for definitive bonds.

(h) (1) A trust agreement authorizing bonds may contain provisions that are part of the contract with the bondholders.

(2) The provisions may include:

(i) pledging the following to secure payment of bonds, subject to any existing agreements with bondholders:

1. the full faith and credit of the Authority;

2. the full faith and credit of a participating institution;

3. revenues of a project;

4. a revenue-producing contract the Authority has made with a person or public entity; or

5. the proceeds of the sale of bonds;

(ii) the rentals, fees, and other charges, the amounts to be raised in each year, and the use and disposition of the revenues;

(iii) setting aside of reserves and sinking funds and their disposition;

(iv) limits on the right of the Authority or its agents to restrict and regulate the use of a project;

(v) limits on the purpose to which the proceeds of sale of bonds may be applied;

(vi) limits on issuing additional bonds, the terms under which additional bonds may be issued and secured, and refunding outstanding bonds;

(vii) the procedure to amend or abrogate the terms of a contract with bondholders and the requirements for consent;

(viii) limits on the amount of project revenues to be expended for operating, administrative, or other expenses of the Authority;

(ix) the acts or omissions that constitute default by the Authority and the rights and remedies of the bondholders in the event of a default;

(x) the conveyance or mortgaging of a project and its site to secure the bondholders; and

(xi) creation and disposition of a collateral fund, instead of conveyance or mortgage, for the purpose of securing the bondholders.

(i) The members of the Authority and a person executing the bonds may not be held liable personally on the bonds.

§10–324.

(a) The Authority may secure bonds by a trust agreement.

(b) The corporate trustee under a trust agreement may be a trust company or a bank that has the powers of a trust company in or outside the State.

(c) In addition to the provisions described in § 10–323(h) of this subtitle, the trust agreement may contain:

(1) either:

(i) a provision conveying or mortgaging all or a portion of the project; or

(ii) a provision creating a collateral account;

(2) other provisions that the Authority considers reasonable and proper for the security of bondholders; and

(3) a provision that restricts the individual right of action by bondholders.

(d) An expense incurred in carrying out the trust agreement or a resolution may be treated as part of the cost of the operation of a project.

§10–325.

Bonds are securities:

(1) in which any of the following persons may legally and properly invest money, including capital that the person owns or controls:

(i) an officer or unit of the State or a political subdivision;

(ii) a bank, trust company, savings and loan association, investment company, or other person conducting a banking business;

(iii) an insurance company, insurance association, or other person conducting an insurance business;

(iv) a personal representative, guardian, trustee, or other fiduciary; and

(v) any other person; and

(2) that may be deposited with and received by a unit of the State or a political subdivision for any purpose for which the deposit of bonds or obligations of the State is authorized by law.

§10–326.

(a) A bond:

(1) is not a debt, liability, or a pledge of the faith and credit of the State or a political subdivision of the State; and

(2) is payable solely from money available in accordance with this subtitle.

(b) Each bond shall state on its face that:

(1) the State and its political subdivisions are not obliged to pay the bond or the interest on the bond except from revenues of the project or the portion of the project for which the bond is issued; and

(2) the faith, credit, and taxing power of the State and its political subdivisions are not pledged to pay the principal of or the interest on the bond.

(c) The issuance of bonds does not directly, indirectly, or contingently obligate the State or its political subdivisions:

(1) to levy or pledge a tax to pay the bonds; or

(2) to make an appropriation to pay the bonds.

(d) This section does not prevent the Authority or a participating institution from pledging its full faith and credit to pay bonds.

§10–327.

(a) The Authority may:

(1) fix and collect rates, rents, fees, and charges for the use of a project and for the services furnished or to be furnished by a project; and

(2) contract with a person or governmental entity to exercise its authority under this section.

(b) The rates, rents, fees, and charges established by the Authority under this section shall be fixed and adjusted so that the aggregate amount of the rates, rents, fees, and charges from the project, when added to other available money, is sufficient to:

(1) pay for maintaining, repairing, and operating the project;

(2) pay the principal of and the interest on the bonds that the Authority issued for the project as they become due and payable; and

(3) create and maintain reserves required or provided for in a trust agreement.

(c) The rates, rents, fees, and charges established by the Authority under this section are not subject to supervision or regulation by any unit of the State other than the Authority.

§10–328.

(a) (1) The Authority shall set aside a sufficient amount of the revenues derived from a project in a sinking fund or other similar fund at regular intervals to the extent required in the trust agreement.

(2) The sinking fund is pledged to pay:

(i) the principal of and the interest on the bonds as they become due; and

(ii) the redemption or purchase price of bonds retired by call or purchase as specified in the trust agreement.

(3) To the extent provided in the trust agreement, the Authority may exclude from the amount to be deposited in the sinking fund the revenues that may be necessary:

(i) to pay for project maintenance, repair, and operation;

(ii) for reserves; and

(iii) for improvements to the project.

(b) (1) The pledge of revenues under subsection (a) of this section is valid and binding from the time the pledge is made.

(2) (i) The rates, rents, charges, fees, and other revenue or money that the Authority pledges and receives are subject immediately to the lien of the pledge.

(ii) Neither physical delivery of the rates, rents, charges, fees, and other revenue or money nor any other act is required to validate the lien.

(3) The lien of the pledge is valid and binding against each party with a claim against the Authority in tort, contract, or otherwise, regardless of whether the party has notice of the lien.

(c) The trust agreement and any other agreement or lease creating a pledge under this section need not be filed or recorded, except in the records of the Authority.

§10–329.

A sinking fund:

(1) may be held:

(i) for all of the bonds issued to finance projects at a particular participating institution without distinction or priority of one bond over another bond;

(ii) for a particular project and for the bonds issued for that project;

(iii) for bonds having a lien subordinate to the lien securing other bonds; and

(2) shall be subject to the trust agreement.

§10–330.

(a) Proceeds from the sale of bonds and other revenues received under this subtitle are trust funds to be held and applied solely as provided in this subtitle.

(b) (1) Each officer, bank, or trust company that receives money from the Authority under this subtitle shall act as trustee of the money and shall hold and apply the money for the purposes specified under this subtitle.

(2) The officer, bank, or trust company holding money is subject to:

(i) any regulation adopted under this subtitle; and

(ii) the trust agreement securing the bonds.

§10–331.

(a) (1) The Authority may issue bonds to refund outstanding bonds of the Authority, including paying:

(i) any redemption premium;

(ii) interest accrued or to accrue to the date of redemption, purchase, or maturity of the bonds; and

(iii) if considered advisable by the Authority, any part of the cost of acquiring or improving a project.

(2) Refunding bonds may be issued for any corporate purpose, including:

(i) realizing savings in the effective costs of debt service, directly or through a debt restructuring; or

(ii) alleviating a potential or actual default.

(b) A refunding bond that the Authority issues under this section shall be issued in the same manner and is subject to this subtitle to the same extent as any other bond.

(c) (1) The Authority may issue refunding bonds in one or more series in an amount greater than the amount of the bonds to be refunded.

(2) (i) In addition to other sources of payment that the Authority determines, refunding bonds may be payable from escrowed bond proceeds and earnings and profits on investments.

(ii) Escrowed bond proceeds and earnings and profits on investments used under subparagraph (i) of this paragraph constitute revenues of a project under this subtitle.

§10–332.

(a) The Authority may apply the proceeds of refunding bonds to the purchase, retirement at maturity, or redemption of outstanding bonds on the earliest or a subsequent redemption date for those bonds.

(b) The Authority may place proceeds of refunding bonds in escrow before applying the proceeds to refund bonds.

§10–333.

(a) Pending their use in accordance with this subtitle, proceeds of bonds issued under § 10-331 of this subtitle may be invested in:

(1) obligations of or guaranteed by the United States; or

(2) certificates of deposit or time deposits secured by obligations of or guaranteed by the United States.

(b) (1) Bond proceeds placed in escrow under subsection (a) of this section

shall mature at such time or times as the Authority considers appropriate to assure the prompt payment of principal, interest, and redemption premium, if any, on the bonds that are to be refunded.

(2) The instruments in which the Authority invests proceeds of bonds issued for all or part of the cost of improvement or acquisition of a project shall mature soon enough to pay the cost of the improvement or acquisition.

(c) (1) The Authority may apply the interest, income, and profit from the investments described in subsection (a) of this section:

(i) to pay the bonds that are to be refunded; or

(ii) to pay the costs of acquiring or improving a project.

(2) After the terms of escrow are satisfied, the balance of the refunding bond proceeds, interest, income, and profit, if any, may be returned to the Authority for use by it in any lawful manner.

§10–334.

(a) The Authority may issue negotiable bond anticipation notes in anticipation of the sale of bonds for any corporate purpose.

(b) Bond anticipation notes issued under this section shall be issued in the same manner as bonds.

(c) Bond anticipation notes issued under this section and the resolution authorizing them may contain any provisions, conditions, or limitations that may be included in a trust agreement.

(d) The Authority may issue bond anticipation notes to pay any other bond anticipation notes.

(e) Bond anticipation notes shall be paid from:

(1) revenues of the Authority;

(2) money available and not otherwise pledged; or

(3) the proceeds of the sale of the bonds in anticipation of which the notes were issued.

§10–335.

(a) The Authority shall convey title to a project and release collateral in accordance with this section when the following conditions are met:

(1) (i) the principal of and interest on bonds issued to finance the

project, including any refunding bonds, have been fully paid and retired; or

(ii) adequate provision has been made to fully pay and retire the bonds;

(2) all other conditions of the trust agreement have been satisfied; and

(3) the lien of the trust agreement has been released.

(b) On satisfaction of the conditions under subsection (a) of this section, the Authority promptly shall execute any deeds, conveyances, releases, and documents and take any other action necessary to convey title to the project to the participating institution and release collateral free of all liens and encumbrances created through the Authority.

§10–336.

(a) A bondholder, a holder of any coupons attached to bonds, or a trustee under a trust agreement securing the bonds may sue to:

(1) protect and enforce rights under the laws of the State or a trust agreement; and

(2) enforce and compel the performance of duties by the Authority or its officer, employee, or agent that this subtitle or a trust agreement requires, including fixing and collecting rates, rents, fees, and charges that the trust agreement requires to be fixed and collected.

(b) The rights under this section are subject to any trust agreement.

§10–337.

(a) The Authority, its agent, or its lessee is not required to pay a tax or assessment on:

(1) a project or property that it acquires or uses under this subtitle; or

(2) the income from that project or property.

(b) The principal of and interest on bonds, the transfer of bonds, and any income derived from the bonds, including profits made in their sale or transfer, are forever exempt from all State and local taxes.

§10–340.

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

(b) "Affiliate" means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another

person.

(c) (1) "Closure cost" means costs incurred in connection with the closure or delicensing of a hospital.

(2) "Closure cost" includes expenses of operating a hospital, payments to employees, employee benefits, fees of consultants, insurance, security services, utilities, legal fees, capital costs, costs of terminating contracts with vendors, suppliers of goods and services and others, debt service, contingencies, and other necessary or appropriate costs and expenses.

(d) "Control" means the direct or indirect possession of the power to direct or cause the direction of the management and policies of a person through equity interest, membership interest, or contract other than a commercial contract for goods or nonmanagement services, or otherwise, whether or not the power is exercised or sought to be exercised.

(e) "Hospital" means an institution defined as a hospital under § 19-301 of the Health - General Article and that is licensed as a hospital by the Secretary of Health and Mental Hygiene under § 19-318 of the Health - General Article.

(f) "Program" means the Maryland Hospital Bond Program under this part.

(g) (1) "Public obligation" means a bond, note, evidence of indebtedness, or other obligation, to repay borrowed money issued by the Authority, the State, a unit, instrumentality, or public corporation of the State, a governmental entity described in § 19–205(a) of the Local Government Article, a county, or a municipal corporation.

(2) "Public obligation" does not include an obligation, or portion of an obligation, if:

(i) the principal of and interest on the obligation or the portion of the obligation is:

1. insured by an effective municipal bond insurance policy; and

2. issued on behalf of a hospital that voluntarily closed in accordance with § 19–120(l) of the Health – General Article; and

(ii) the proceeds of the obligation or the portion of the obligation are used to finance wholly or partly:

1. a facility or part of a facility that is used primarily to provide outpatient services at a location other than the hospital; or

2. a facility or part of a facility that is used primarily by physicians who are not employees of the hospital to provide services to nonhospital

patients.

§10–341.

This part applies to:

(1) the closure of a hospital under § 19-120(l) of the Health - General Article; and

(2) the delicensure of a hospital under § 19-325 of the Health - General Article.

§10–342.

(a) The General Assembly finds that the failure to provide for the payment of public obligations of a closed or delicensed hospital could seriously impair the ability of health care facilities and State and local governments to secure subsequent financing through the issuance of tax-exempt bonds.

(b) The purpose of this part is to preserve the access of health care facilities in the State to adequate financing through a program that facilitates the refinancing and payment of public obligations of a closed or delicensed hospital.

(c) It is the intent of this part that the Health Services Cost Review Commission, the Maryland Health Care Commission, and the Authority shall consult with and consider each others' recommendations in making the determinations required under this part.

§10–343.

(a) There is a Maryland Hospital Bond Program in the Authority.

(b) For public obligations issued on behalf of a hospital before October 1, 2008, the Program shall provide for the payment and refinancing of public obligations of a hospital, if:

(1) (i) the closure of the hospital is in accordance with § 19–120(l) of the Health – General Article; or

(ii) the delicensure of the hospital is in accordance with § 19–325 of the Health – General Article;

(2) a public obligation issued on behalf of the hospital is outstanding; and

(3) the hospital plan for closure or delicensure and the related financing plan is acceptable to:

(i) the Secretary of Health and Mental Hygiene, in consultation with the Maryland Health Care Commission; and

(ii) the Authority.

(c) For public obligations issued on behalf of a hospital on or after October 1, 2008, the Program shall provide for the payment and refinancing of public obligations of a hospital, if:

(1) (i) the closure of the hospital is in accordance with § 19–120(l) of the Health – General Article; or

(ii) the delicensure of the hospital is in accordance with § 19–325 of the Health – General Article;

(2) a public obligation issued on behalf of the hospital is outstanding;

(3) the hospital plan for closure or delicensure and the related financing plan is acceptable to:

(i) the Secretary of Health and Mental Hygiene, in consultation with the Maryland Health Care Commission; and

(ii) the Authority; and

(4) the Health Services Cost Review Commission determines that implementation of the Program is in the public interest, taking into account the amount of system–wide savings to the health care system in the State that might be expected as a result of the closure.

§10–344.

(a) (1) The Maryland Health Care Commission shall notify in writing:

(i) the Authority and the Health Services Cost Review Commission when a hospital files a written notice of intent to close under § 19–120(l) of the Health – General Article; and

(ii) the Authority when a petition for delicensure of a hospital is filed with the Secretary of Health and Mental Hygiene under § 19–325 of the Health – General Article.

(2) The Commission shall give the notice required by this subsection within 5 days after the date of the filing.

(b) The Secretary of Health and Mental Hygiene shall notify the Authority and the Health Services Cost Review Commission in writing of each determination to delicense a hospital under § 19–325 of the Health – General Article at least 150 days before the scheduled date of delicensure.

(c) The notifications under this section shall include the name and location of

the hospital and the scheduled date of its closure or delicensure.

§10–345.

(a) As to each hospital that files a notice of intent to close under § 10-344(a)(1)(i) of this subtitle, the Maryland Health Care Commission shall provide to the Authority and the Health Services Cost Review Commission notice that includes:

(1) for a hospital that is located in a county with three or more hospitals, a statement that the hospital, in consultation with the Maryland Health Care Commission, held a public information hearing in the county where the hospital is located;

(2) for a hospital that is located in a county with fewer than three hospitals, notification of its finding on whether the proposed closing is:

(i) in the public interest; and

(ii) not inconsistent with the State health plan or an institution-specific plan that the Maryland Health Care Commission developed; and

(3) the name and location of the hospital and the scheduled date of the closure.

(b) The Maryland Health Care Commission shall submit the notifications required under this section at least 150 days before the scheduled date of the closure.

§10–346.

(a) (1) A hospital that intends to close or is scheduled to be delicensed shall provide the Authority and the Health Services Cost Review Commission with a written statement of any outstanding public obligations issued on its behalf.

(2) The statement shall include:

(i) the name of each issuer of the public obligation;

(ii) the outstanding principal amount of each public obligation;

(iii) the due dates for payment or any mandatory redemption or purchase of each public obligation;

(iv) the due dates for the payment of interest on each public obligation and the interest rates; and

(v) the documents and information about the public obligation that the Authority or the Health Services Cost Review Commission requests.

(b) (1) A hospital with public obligations issued on or after October 1, 2008,

that intends to close or is scheduled to be delicensed, shall provide to the Secretary of Health and Mental Hygiene a closure plan that is acceptable to the Secretary, in consultation with the Maryland Health Care Commission.

(2) The closure plan required under this subsection shall include the plan of the hospital for the provision of care to its patients and to the population in its service area.

(c) The hospital shall file the items required under subsections (a) and (b) of this section:

(1) within 10 days after the date of filing the written notice of intent to close under § 19–120(l) of the Health – General Article with the Maryland Health Care Commission; or

(2) at least 150 days before the scheduled date of delicensure under § 19–325 of the Health – General Article.

§10–347.

(a) The Health Services Cost Review Commission may determine to provide for the payment of all or part of the reasonable closure costs of a hospital having outstanding public obligations if the Health Services Cost Review Commission determines that the payment is necessary or appropriate to:

(1) encourage and assist the hospital to close; or

(2) implement the Program created by this part.

(b) In making the determinations under subsection (a) of this section, the Health Services Cost Review Commission shall consider:

(1) the system–wide savings to the State health care system expected to result from the closure or delicensure of the hospital during the longer of:

(i) the period when the fee will be assessed to provide for the payment of the closure costs or any bond issued to finance the closure costs; or

(ii) 5 years after the date of closure or delicensure; and

(2) the recommendations of the Maryland Health Care Commission and the Authority.

(c) Within 60 days after receiving the notice of closure or delicensure required by § 10–344(a)(1)(i) or (b) of this subtitle, the Health Services Cost Review Commission shall:

(1) determine whether to provide for the payment of all or a part of the

closure costs of the hospital in accordance with this section; and

(2) give written notification of its determination to the Maryland Health Care Commission and the Authority.

(d) This section does not require the Health Services Cost Review Commission to provide for the payment of any closure costs of a closed or delicensed hospital.

(e) In a proceeding involving the validity or enforceability of a bond issued to finance closure costs or any security for the bond, the determinations of the Health Services Cost Review Commission under this section are conclusive and binding.

§10–348.

(a) Within 60 days after receiving the statement required by § 10-346 of this subtitle, the Authority shall prepare a schedule of payments necessary to meet the public obligations of the hospital.

(b) (1) As soon as practicable after receiving a notice of closure or delicensure, required by § 10-344(a)(1)(i) or (b) of this subtitle, and after consulting with the issuer of each public obligation and the Health Services Cost Review Commission, the Authority shall prepare a proposed plan to finance or otherwise provide for the payment of public obligations.

(2) The proposed plan may include a tender, redemption, advance refunding, or other technique that the Authority considers appropriate.

(c) As soon as practicable after receiving notification that the Health Services Cost Review Commission has determined to provide for the payment of closure costs of a hospital under § 10-347 of this subtitle, the Authority shall prepare a proposed plan to finance or provide for the payment of closure costs stated in the notice.

(d) On request of the Health Services Cost Review Commission, the Authority may begin preparing the plan required by this section before the Authority receives notice under § 10-344(a)(1)(i) or (b) of this subtitle.

(e) The Authority shall promptly submit the schedule of payments and the proposed plan required by this section to the Health Services Cost Review Commission.

§10–349.

(a) The Authority may issue bonds to finance or otherwise provide for the payment of public obligations or closure costs of a hospital in accordance with a plan developed under § 10-348 of this subtitle.

(b) The bonds issued under subsection (a) of this section shall:

(1) be payable from the fees provided under § 10-350 of this subtitle or

from other sources provided in the plan;

(2) be authorized, sold, executed, and delivered in accordance with this subtitle; and

(3) have terms consistent with constitutional and other legal requirements.

(c) In connection with the issuance of any bond, the Authority may assign its rights under a loan, lease, or other financing agreement between the Authority or any other issuer of a public obligation and the closed or delicensed hospital to the State or a State unit in consideration for the payment of a public obligation as provided in this part.

§10–350.

(a) On the date of closure or delicensure of a hospital for which a financing plan is developed under § 10-348 of this subtitle, the Health Services Cost Review Commission shall assess a fee on all hospitals, as provided in § 19-223 of the Health - General Article, sufficient to:

(1) pay the principal and interest on any bonds that the Authority issues under § 10-349 of this subtitle to finance public obligations;

(2) pay the closure costs or the principal and interest on bonds that the Authority issues under § 10-349 of this subtitle to finance any closure costs;

(3) maintain a reserve required by the trust agreement;

(4) pay any required financing fees or charges; and

(5) maintain reserves that the Authority considers appropriate to provide the amounts described in paragraphs (1) through (4) of this subsection if a hospital defaults in paying the fees.

(b) The fee assessed each hospital shall be:

(1) the product of the total fees required to be assessed multiplied by the ratio of the actual gross patient revenue of the hospital to the total gross patient revenue of all hospitals; and

(2) determined as of the date the Authority determines after consulting with the Health Services Cost Review Commission.

(c) (1) As the Authority directs, each hospital shall pay the fee:

(i) directly to the Authority;

(ii) directly to a trustee for the bondholders; or

(iii) otherwise as the Authority directs.

(2) The fee shall be assessed at any time necessary to meet the payment requirements of this section.

(d) The fee assessed is not subject to supervision or regulation by a unit of the State.

(e) (1) A pledge of the fee to a bond issued under this part or to any other public obligation immediately subjects the fee to the lien of the pledge without a physical delivery or further act.

(2) Whether or not the parties have notice, the lien of the pledge is valid and binding against all parties having claims in tort, contract, or otherwise against the Authority or a closed or delicensed hospital.

(f) If the Health Services Cost Review Commission terminates by law, the Secretary of Health and Mental Hygiene shall impose the fee under this section.

§10–351.

(a) Notwithstanding any other provision of this subtitle, the amount of a public obligation that may be paid under the Program shall be reduced by the sum of:

(1) any excess of the total fair market value of all property transferred by a closed or delicensed hospital to an affiliate or a person with an interest in the hospital after it is closed or delicensed over the total fair market value of the property transferred and services provided to the hospital by the affiliate or person; and

(2) the total fair market value of the property retained by the hospital or affiliate after the closure or delicensure minus the property that is applied to paying closure costs approved by the Health Services Cost Review Commission.

(b) (1) By any method it considers appropriate, the Authority may determine the fair market value of any property or services, including by:

(i) the appraisal of an independent professional appraiser; or

(ii) the report of an independent consultant.

(2) The closed or delicensed hospital shall pay the cost of the appraiser or consultant.

(c) (1) The Authority may act under this subsection if the Authority determines that the action is:

(i) necessary to protect the interests of holders of public obligations; or

(ii) consistent with the public purpose of encouraging and assisting the hospital to close or delicense.

(2) The Authority may proceed against:

(i) a closed or delicensed hospital; or

(ii) a guaranty or collateral securing the payment of a public obligation of a closed or delicensed hospital if the guaranty or collateral was provided by an entity associated with the hospital.

(d) In making the determination required under subsection (c) of this section, the Authority shall consider:

(1) the circumstances under which the guaranty or other collateral was provided; and

(2) the recommendations of the Health Services Cost Review Commission and the Maryland Health Care Commission.

(e) (1) Any money that the Authority or its assignee realizes from enforcing a claim against a closed or delicensed hospital, or a hospital with a plan under § 10-348 of this subtitle, shall be applied to offset the fee that the Health Services Cost Review Commission is required to assess under § 10-350 of this subtitle.

(2) The costs and expenses of enforcing the claim, including the costs for maintaining the property before disposition, shall be deducted from the money described in paragraph (1) of this subsection.

§10–352.

Notwithstanding any other provision of this part, in a proceeding involving the validity or enforceability of a bond or the security for a bond, the determination of the Authority under this part is conclusive and binding.

§10–353.

The Health Services Cost Review Commission, the Maryland Health Care Commission, or the Authority may waive any notice required to be given to it under this part.

§10–356.

This subtitle may be cited as the "Maryland Health and Higher Educational Facilities Authority Act".

§10–401.

(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 Technology Development Corporation.

(d) "Improve" means to add, alter, construct, equip, expand, extend, improve, install, reconstruct, rehabilitate, remodel, or repair.

(e) "Improvement" means addition, alteration, construction, equipping, expansion, extension, improvement, installation, reconstruction, rehabilitation, remodeling, or repair.

§10–402.

(a) There is a Maryland Technology Development Corporation.

(b) The Corporation is a body politic and corporate and is an instrumentality of the State.

(c) The purposes of the Corporation are to:

(1) assist in transferring to the private sector the results and products of scientific research and development conducted by colleges and universities;

(2) assist in commercializing those results and products;

(3) assist in commercializing technology developed in the private sector;

(4) foster the commercialization of research and development conducted by colleges, universities, and the private sector to create and sustain businesses throughout all regions of the State; and

(5) generally assist early–stage and start–up businesses in the State.

§10–403.

(a) A Board of Directors shall manage the Corporation and its units and exercise its corporate powers.

(b) The Board consists of the following 16 members:

(1) the Secretary or the Secretary's designee;

(2) the Executive Director of the Department or the Executive Director's designee; and

(3) fourteen members appointed by the Governor with the advice and consent of the Senate:

(i) two representing the not–for–profit research sector of the State;

(ii) two with expertise in venture capital financing;

(iii) five with experience in technology–based businesses;

(iv) two representing colleges and universities; and

(v) three members of the general public.

(c) A member of the Board shall reside in the State.

(d) In making appointments to the Board, the Governor shall consider:

(1) diversity; and

(2) all geographic regions of the State.

(e) A member of the Board:

(1) may not receive compensation as a member of the Board; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) (1) The term of an appointed member is 4 years.

(2) The terms of the appointed members are staggered as required by the terms provided for members on October 1, 2008.

(3) At the end of a term, an appointed member continues to serve until a successor is appointed and qualifies.

(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(g) The Governor may remove an appointed member for incompetence, misconduct, or failure to perform the duties of the position.

(h) The Board shall elect a chair from among its members.

(i) The Board may act with an affirmative vote of nine Board members.

§10–404.

(a) The Corporation shall employ an Executive Director.

(b) The Executive Director shall have experience with and possess qualifications relevant to the activities and purposes of the Corporation.

§10–405.

(a) The Attorney General is the legal advisor to the Corporation.

(b) (1) The Attorney General shall assign to the Corporation assistant Attorneys General.

(2) the Attorney General shall designate one assistant Attorney General as general counsel to the Corporation.

(3) (i) The general counsel to the Corporation shall:

1. advise the Executive Director, Board of Directors, and any other official of the Corporation as requested by the Corporation;

2. supervise the other assistant Attorneys General assigned to the Corporation; and

3. perform for the Corporation other duties the Attorney General assigns.

(ii) The general counsel may not provide any other assistance not specified in subparagraph (i) of this paragraph.

(c) With the approval of the Attorney General, the Corporation may retain any additional necessary lawyers.

§10–406.

The Corporation may retain any necessary accountants, engineers, financial advisors, or other consultants.

§10–407.

(a) Except as provided in subsections (b), (c), and (e) of this section, the Corporation is exempt from:

(1) Title 10 and Division II of the State Finance and Procurement Article; and

(2) §§ 3–301 and 3–303 of the General Provisions Article.

(b) The Corporation is subject to the Public Information Act.

(c) The Board and the officers and employees of the Corporation are subject to the Public Ethics Law.

(d) The officers and employees of the Corporation are not subject to the provisions of Division I of the State Personnel and Pensions Article that govern the

State Personnel Management System.

(e) The Corporation, its Board, and employees are subject to Title 12, Subtitle 4 of the State Finance and Procurement Article.

§10–408.

The Corporation may:

(1) adopt bylaws for the conduct of its business;

(2) adopt a seal;

(3) maintain offices at a place it designates in the State;

(4) accept loans, grants, or assistance of any kind from the federal or State government, a local government, a college or university, or a private source;

(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 the powers granted by this subtitle.

§10–409.

The Corporation may make grants to or provide equity investment financing for technology-based businesses.

§10–410.

The Corporation may:

(1) acquire, develop, improve, manage, market, license, sublicense, maintain, lease as lessor or lessee, or operate a project in the State to carry out its purposes;

(2) acquire, directly or indirectly, from a person or political subdivision, by purchase, gift, or devise any property, rights-of-way, franchises, easements, or other interests in land, including submerged land and riparian rights:

(i) as necessary or convenient to improve or operate a project to carry out its purposes; and

(ii) on the terms and at the prices that it considers reasonable; and

(3) enter into a project with a manufacturer to carry out its purposes.

§10–411.

A debt, claim, obligation, or liability of the Corporation or any subsidiary is not:

(1) a debt, claim, obligation, or liability of the State, a unit or instrumentality of the State, or of a State officer or State employee; or

(2) a pledge of the credit of the State.

§10–412.

Colleges and universities may:

(1) contract with the Corporation or its subsidiaries;

(2) assign to the Corporation or its subsidiaries intellectual property and other resources to assist in its development and activities; and

(3) assign faculty and staff to the Corporation.

§10–413.

The Corporation is exempt from State and local taxes.

§10–414.

The books and records of the Corporation are subject to audit:

(1) at any time by the State; and

(2) each year by an independent auditor that the Office of Legislative Audits approves.

§10–415.

(a) On or before October 1 of each year, the Corporation shall report to the Governor, the Maryland Economic Development Commission, and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

(b) The report shall include a complete operating and financial statement covering the Corporation's operations and a summary of the Corporation's activities during the preceding fiscal year.

§10–418.

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

(b) "Financial assistance" means a grant, loan, credit enhancement, or similar assistance.

(c) "Program" means the Maryland Technology Incubator Program.

§10–419.

(a) There is a Maryland Technology Incubator Program.

(b) The Corporation shall administer the Program.

§10–420.

The purpose of the Program is to promote entrepreneurship and the creation of jobs in technology-related industry by establishing and operating effective incubators throughout the State that provide adequate physical space designed, and programs intended, to increase or accelerate business success in the field of technology.

§10–421.

To carry out the purposes of the Program, the Board shall award financial assistance under this part.

§10–422.

The Board may award financial assistance using money provided by the State, the federal government, or a nongovernmental entity.

§10–423.

(a) After consulting with the Secretary, the Board shall adopt standards to award financial assistance.

(b) The standards shall authorize the award of financial assistance to:

(1) support the development and use of best practices in the incubation process;

(2) provide strategic planning, needs assessments, and feasibility studies; or

(3) help acquire or improve new or expanded space or improve existing space for an incubator, including providing or helping another with:

(i) acquisition of land;

(ii) acquisition of architectural or engineering services;

(iii) payment of administrative costs;

(iv) development or upgrading of communications infrastructure;

(v) acquisition of furnishings or equipment; or

(vi) acquisition of other items associated with tenant build-out.

§10–424.

The Board may award financial assistance to:

(1) a local government;

(2) an agency, instrumentality, or not-for-profit corporation that the local government designates;

(3) a public or private college or university;

(4) the Maryland Economic Development Corporation; or

(5) a not-for-profit entity operating an incubator in the State.

§10–425.

(a) A recipient of financial assistance under § 10-423(b)(3) of this subtitle shall provide matching funds or in-kind contributions for the project at least equal to the financial assistance awarded.

(b) The Board may waive the requirement of subsection (a) of this section for good cause shown.

§10–426.

Unless two-thirds of the membership of the Board approve, the Board may not award financial assistance within a single county under § 10-423(b)(3) of this subtitle that exceeds a total of $1,000,000 in a single fiscal year.

§10–429.

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

(b) "Adult stem cell" means a stem cell that is:

(1) derived from human tissue; and

(2) obtained after birth.

(c) "Commission" means the Stem Cell Research Commission.

(d) "Committee" means the independent scientific peer review committee that contracts with the Commission under § 10-436 of this subtitle.

(e) "Fund" means the Maryland Stem Cell Research Fund established under § 10-434 of this subtitle.

(f) "Human cloning" means the replication of a human being through the production of a precise genetic copy of nuclear human DNA or any other human molecule, cell, or tissue in order to create a new human being or to allow development beyond an embryo.

(g) "Institutional review board" has the meaning stated in the federal regulations on the protection of human subjects.

(h) "Oocyte" means a female germ cell or egg.

(i) "State-funded stem cell research" means stem cell research conducted with State money and using:

(1) material obtained in accordance with § 10-438 of this subtitle; or

(2) adult stem cells.

(j) "Stem cell" means a human cell that has the ability to:

(1) divide indefinitely;

(2) give rise to many other types of specialized cells; and

(3) give rise to new stem cells with identical potential.

(k) "Valuable consideration" means financial gain or advantage in connection with material obtained in accordance with § 10-438 of this subtitle.

§10–430.

Nothing in this part may be construed to prohibit the creation of stem cell lines to be used for therapeutic research purposes.

§10–431.

(a) There is a Stem Cell Research Commission.

(b) The Commission is an independent commission that functions in the Corporation.

(c) The Commission consists of the following members:

(1) the Attorney General or the Attorney General's designee;

(2) three patient advocates, one appointed by the Governor, one appointed by the President of the Senate, and one appointed by the Speaker of the House of Delegates;

(3) three individuals with experience in biotechnology, one appointed by the Governor, one appointed by the President of the Senate, and one appointed by the Speaker of the House of Delegates;

(4) two individuals who work as scientists for the University System of Maryland and do not engage in stem cell research, appointed by the University System of Maryland;

(5) two individuals who work as scientists for the Johns Hopkins University and do not engage in stem cell research, appointed by the Johns Hopkins University;

(6) two bioethicists, one appointed by the University System of Maryland and one appointed by the Johns Hopkins University; and

(7) two individuals with expertise in the field of biomedical ethics as it relates to religion, appointed by the Governor.

(d) (1) The term of an appointed member is 2 years.

(2) The terms of the appointed members are staggered as required by the terms provided for members on October 1, 2008.

(3) At the end of a term, an appointed member continues to serve until a successor is appointed and qualifies.

(4) An appointed member may not serve more than three consecutive full terms.

(5) An appointed member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(e) Each member of the Commission shall disclose to the State Commission on Ethics whether the member is employed by or has a financial interest in an entity that may apply to conduct State–funded stem cell research.

(f) The members of the Commission shall elect a chair from among the appointed members of the Commission.

(g) A majority of the full authorized membership of the Commission is a quorum.

(h) The Commission shall meet at least twice a year.

(i) A member of the Commission:

(1) may not receive compensation as a member of the Commission; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(j) The Commission may employ a staff, including contractual staff, in accordance with the State budget.

§10–432.

(a) The Commission shall:

(1) adopt regulations that ensure that adult stem cell and stem cell research financed by the Fund complies with State law;

(2) develop criteria, standards, and requirements for the initial review of grant and loan applications by the Commission;

(3) review grant and loan applications to ensure that each application is complete and satisfies the criteria, standards, and requirements developed by the Commission, including approval by an institutional review board;

(4) establish procedures and guidelines to be used by the committee for the review, evaluation, ranking, and rating of research proposals for State-funded stem cell research;

(5) ensure that the procedures and guidelines established under item (4) of this subsection are based on the guidelines of the National Institutes of Health Center for Scientific Review;

(6) establish criteria, standards, and requirements for consideration of grant and loan applications based on the rankings and ratings of the committee;

(7) make recommendations consistent with the criteria, standards, and requirements established by the Commission and based on the rankings and ratings of the committee regarding the award of grants and loans from the Fund;

(8) establish standards for the oversight and use of awards;

(9) conduct progress oversight reviews of recipients;

(10) notify the Corporation regarding the submission by a recipient, or failure of a recipient, to submit institutional review board approval for a grant or loan awarded under this subtitle; and

(11) develop guidelines on disclosure and recusal to be followed by members of the Commission when considering grant and loan applications.

(b) The Commission may consult with experts in performing its duties.

§10–434.

(a) There is a Maryland Stem Cell Research Fund.

(b) The purpose of the Fund is to promote State–funded stem cell research and cures through grants and loans to public and private entities in the State.

(c) The Corporation shall administer the Fund.

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

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

(e) The Fund consists of:

(1) appropriations as provided in the State budget; and

(2) any other money from any other source accepted for the benefit of the Fund.

(f) Money in the Fund may only be used to:

(1) award grants and loans for State–funded stem cell research, in accordance with the recommendations of the Commission;

(2) award grants and loans for facilities, capital leases, and capital equipment where State–funded stem cell research is conducted, in accordance with

the recommendations of the Commission; and

(3) pay the costs necessary to administer the Fund.

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

(2) Any investment earnings shall be paid into the Fund.

(h) (1) The Governor may include in the State budget bill each fiscal year an appropriation to the Fund.

(2) Expenditures from the Fund may only be made in accordance with an appropriation approved by the General Assembly in the State budget or by an approved budget amendment.

§10–435.

(a) A grant or loan awarded under this part is contingent on the recipient:

(1) submitting to the Commission approval from an institutional review board; and

(2) entering into a memorandum of understanding with the Corporation that:

(i) establishes the scope of the State's ownership or other financial interest in the commercialization and other benefits of the results, products, inventions, and discoveries of State-funded stem cell research; and

(ii) to the extent consistent with federal and State law, reflects the intellectual property policies of the institution.

(b) A recipient shall submit the approval required under subsection (a)(1) of this section within 6 months after the award of the grant or loan.

(c) The Corporation may not disburse grant or loan money to a recipient until:

(1) the recipient has obtained the approval required under subsection (a)(1) of this section; and

(2) the recipient and the Corporation have entered into the memorandum of understanding required under subsection (a)(2) of this section.

§10–436.

(a) The Commission shall contract with an independent scientific peer review committee composed of scientifically recognized experts in the field of stem cell research.

(b) The committee shall:

(1) review, evaluate, rank, and rate research proposals for State-funded stem cell research:

(i) based on the procedures and guidelines established by the Commission; and

(ii) in a manner that gives due consideration to the scientific, medical, and ethical implications of the research; and

(2) make recommendations to the Commission, based on the rankings and ratings awarded to research proposals by the committee, for the award and disbursement of grants and loans under the Fund.

(c) A member of the committee:

(1) is not eligible to receive a grant or loan for State-funded stem cell research from the Fund;

(2) may not reside in the State; and

(3) shall be subject to conflict of interest standards that are at least as stringent as the standards on conflict of interest adopted by the National Institutes of Health.

§10–437.

(a) A person who conducts State-funded stem cell research shall conduct the research in a manner that considers the ethical and medical implications of the research.

(b) A person who conducts State-funded stem cell research may not engage in any research that intentionally and directly leads to human cloning.

§10–438.

(a) A health care practitioner licensed under the Health Occupations Article who treats individuals for infertility shall:

(1) provide individuals with information sufficient to enable them to make an informed and voluntary choice regarding the disposition of any unused material; and

(2) present to individuals the option of:

(i) storing or discarding any unused material;

(ii) donating any unused material for clinical purposes in the treatment of infertility;

(iii) except as provided in subsection (b) of this section, donating any unused material for research purposes; and

(iv) donating any unused material for adoption purposes.

(b) Any unused material donated for State-funded stem cell research may not be an oocyte.

(c) An individual who donates any unused material for research purposes under subsection (a)(2) of this section shall provide the health care practitioner with written consent for the donation.

§10–439.

(a) A person may not purchase, sell, transfer, or obtain any material donated in accordance with § 10-438 of this subtitle for valuable consideration.

(b) A person may not give valuable consideration to another to encourage the production of material donated in accordance with § 10-438 of this subtitle for the sole purpose of medical research.

(c) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 3 years or a fine not exceeding $50,000 or both.

§10–440.

(a) A person may not conduct or attempt to conduct human cloning.

(b) A person who violates this section is guilty of a felony and on conviction is subject to imprisonment not exceeding 10 years or a fine not exceeding $200,000 or both.

§10–441.

The Corporation, in consultation with the Commission, shall adopt regulations to establish procedures for making the disbursement of a grant or loan contingent on obtaining the approval of an institutional review board.

§10–442.

(a) On or before January 1 of each year, the Corporation and the Commission shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly on the progress of State-funded stem cell research conducted in accordance with this part.

(b) The report shall identify:

(1) each recipient of money from the Fund;

(2) the amount of money awarded to each recipient; and

(3) a description of the type of stem cell research performed by the recipient.

§10–445.

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

(b) "CENTR Maryland Program" or "Program" means the Coordinating Emerging Nanobiotechnology Research in Maryland Program established under § 10–447 of this subtitle.

(c) "Fund" means the Coordinating Emerging Nanobiotechnology Research in Maryland Fund established under § 10–448 of this subtitle.

(d) "Nanobiotechnology" means the application of nanotechnology to the life sciences including research relating to the characterization of nanomaterials for health and environmental safety implications.

§10–446.

The General Assembly finds and declares that:

(1) nanobiotechnology offers tremendous potential to revolutionize medical and life science research and to enable discoveries that will enrich and improve the quality of life for the people of the State;

(2) the provision of funds for nanobiotechnology projects is vital to supporting this emerging technology; and

(3) fostering partnerships among federal institutions, private sector entities, and institutions of higher education will help secure the State's position as a leader in nanobiotechnology research and assist in securing the State's economic future.

§10–447.

(a) There is a Coordinating Emerging Nanobiotechnology Research in Maryland Program.

(b) The purpose of the CENTR Maryland Program is to:

(1) support and promote advanced research in nanobiotechnology in the State;

(2) support nanobiotechnology research activities at postsecondary education institutions; and

(3) establish the State as a key location for nanobiotechnology research and industry.

(c) The Corporation shall foster public–private partnerships as feasible to carry out the purpose of the CENTR Maryland Program.

§10–448.

(a) There is a Coordinating Emerging Nanobiotechnology Research in Maryland Fund in the Corporation.

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

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

(c) The Fund consists of:

(1) appropriations as provided in the State budget; and

(2) any other money from any other source accepted for the benefit of the CENTR Maryland Program.

(d) The Executive Director of the Corporation, or the Executive Director's designee, shall administer the Fund in accordance with this part and other applicable law.

(e) The Fund shall be used to cover the costs of the Program, including any grants that are awarded to eligible recipients.

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

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

(g) The Legislative Auditor shall audit the accounts and transactions of the Fund as provided in § 2–1220 of the State Government Article.

§10–449.

(a) Within the CENTR Maryland Program, subject to available funding, the Corporation shall award capital and operating grants from the Fund to private sector entities and institutions of higher education in the State to:

(1) leverage federal funding for the establishment or construction of research centers in the State;

(2) provide pilot funding for faculty at institutions of higher education in

the State to develop initial research data for the development of larger grant funding proposals;

(3) foster public–private partnerships between private industry and institutions of higher education in the State; and

(4) assist with the transfer of nanobiotechnology research into commercial applications.

(b) Within the CENTR Maryland Program, the Corporation may award operating grants from the Fund to institutions of higher education that shall include:

(1) discovery educational grants to support postdoctorate or graduate–level collaboration with private sector entities on nanobiotechnology projects that:

(i) shall be subject to supervision by faculty members; and

(ii) require a matching sum, either direct or in–kind, from a private sector entity equivalent to the grant amount;

(2) collaborative grants to support research teams from institutions of higher education working with private sector entities on collaborative research projects that:

(i) focus on specific application development; and

(ii) require a matching sum from the private sector entity equivalent to the grant amount; and

(3) prototype grants to enable institutions of higher education and private sector entities to engage in projects that:

(i) demonstrate whether a prototype is functional and manufacturable;

(ii) demonstrate the cost effectiveness of nanotechnology–related applications; and

(iii) shall be matched with an industry grant in an amount of at least $2 for every $1 of the prototype grant.

§10–450.

(a) The Corporation shall adopt regulations to establish:

(1) a competitive application process; and

(2) criteria and procedures for awarding grants from the Fund to eligible

recipients.

(b) (1) In accordance with this part, all private sector entities in the State and all institutions of higher education in the State may be eligible recipients of grants.

(2) Priority for the award of any grant shall be given to those projects that are most likely to:

(i) attract significant investment in the State;

(ii) leverage significant additional grant or research funding from federal or private sector sources; or

(iii) establish the State as a key location for nanobiotechnology research and industry.

§10–451.

The Corporation shall include, as part of its annual report to the Governor and General Assembly under § 10–415 of this subtitle, a detailed description of the grants awarded under this part.

§10–454.

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

(b) "Commercialization" means the process of introducing a new product or technology into the market.

(c) "Corporation" means the Maryland Technology Development Corporation.

(d) "Fund" means the Maryland Innovation Initiative Fund established under § 10–457 of this part.

(e) "Initiative" means the Maryland Innovation Initiative established under § 10–455 of this part.

(f) "Participating members" means the representatives described in § 10–455(b) of this part.

(g) "Qualifying university" means a public or private university that meets the requirements set forth under § 10–455(c) of this part.

(h) "Technology transfer" means the process of converting scientific and technological advances into marketable goods and services.

(i) "University" means a not–for–profit, research university located in Maryland.

§10–455.

(a) There is a Maryland Innovation Initiative.

(b) The Initiative consists of the following participating members:

(1) one official of State government not affiliated with Maryland higher education, or the official's designee, appointed by the Governor;

(2) two individuals from the private sector not affiliated with Maryland higher education with experience in commercializing technology in the State, one appointed by the President of the Senate, and one appointed by the Speaker of the House of Delegates; and

(3) subject to subsection (c) of this section, the following members appointed by the respective universities:

(i) one representative of the Johns Hopkins University;

(ii) one representative of Morgan State University;

(iii) one representative of University of Maryland, Baltimore;

(iv) one representative of University of Maryland Baltimore County; and

(v) one representative of University of Maryland, College Park.

(c) (1) Subject to paragraph (2) of this subsection, only the universities listed under subsection (b)(3) of this section may qualify for participation in the Initiative.

(2) To qualify for participation in the Initiative, a university shall provide, as specified in paragraph (3) of this subsection, a contribution annually to the Initiative to carry out the purposes set forth under this part.

(3) (i) To qualify for participation in the Initiative, the following universities shall pay an annual contribution of at least $200,000:

1. Johns Hopkins University;

2. University of Maryland, Baltimore; and

3. University of Maryland, College Park.

(ii) To qualify for participation in the Initiative, the following universities shall pay an annual contribution of at least $100,000:

1. Morgan State University; and

2. University of Maryland Baltimore County.

(4) A university listed under subsection (b)(3) of this section may elect to withdraw as a participating member for future years on providing 60 days' written notice to the Chair or Executive Director of the Initiative.

(d) The participating members of the Initiative shall select a chair from among their members.

(e) A participating member of the Initiative:

(1) may not receive compensation as a member of the Initiative; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget or under the applicable travel regulations of a university if the university reimburses the participating member.

(f) The Initiative may employ staff, including an Executive Director.

§10–456.

The purpose of the Initiative is to:

(1) promote the commercialization of research conducted in universities in the State;

(2) encourage qualifying universities to partner on commercialization and other activities, including with federal laboratories located in Maryland; and

(3) facilitate the transfer of technology from universities to commercial industries, by:

(i) assessing the viability and value of the technology;

(ii) defining and exploiting potential markets for the technology;

(iii) identifying funding sources to support the development of the technology; and

(iv) developing commercialization strategies.

§10–457.

(a) There is a Maryland Innovation Initiative Fund.

(b) The purpose of the Fund is to provide funding for the purposes described in § 10–456 of this part.

(c) The Corporation shall administer the Fund.

(d) The Fund consists of:

(1) appropriations as provided in the State budget;

(2) contributions by the qualifying universities under § 10–455 of this part;

(3) grants or funds from federal laboratories located in Maryland;

(4) interest or other income earned on the investment of money in the Fund; and

(5) any other money accepted for the benefit of the Initiative.

(e) Money in the Fund may be used only to:

(1) award grants to promote the commercialization of research in accordance with the terms of this part; and

(2) pay the costs necessary to administer the Initiative.

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

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

(3) The State Treasurer shall invest the money in the Fund in the same manner as other State money may be invested.

(4) Any investment earnings of the Fund shall be credited to the Fund.

§10–458.

(a) The Initiative may:

(1) provide grant funding to a qualifying university, qualifying university–based entrepreneur, or other start–up entity, to promote the commercialization of technology developed in whole or in part by a qualifying university;

(2) pursue grants, other funds, and in–kind contributions for the Initiative or its qualifying universities;

(3) develop and implement guidelines for technology transfer; and

(4) identify projects at qualifying universities that may be viable for commercialization.

(b) The grant funding in subsection (a) shall be awarded:

(1) to support pre–commercial research on intellectual property to increase the likelihood of commercializing the intellectual property;

(2) to defray costs of evaluating the feasibility of a technology becoming commercialized through a start–up company;

(3) to defray the direct costs of developing early stage technology through a start–up entity;

(4) to assess intellectual property issues, including licensing and patents; or

(5) for any other costs that the Initiative's participating members determine are appropriate to promote technology transfer and commercialization in the State.

§10–459.

(a) Only qualifying universities, as provided under § 10–455 of this part, may submit proposals for grant funding from the Initiative.

(b) The participating members of the Initiative may establish a committee composed of experts in the areas of research considered for commercialization.

(c) The Initiative may establish the committee under service contracts with independent reviewers.

(d) The committee shall:

(1) review, evaluate, and rate proposals for funding from the Initiative, based on:

(i) the viability of commercializing the technology; and

(ii) the relative costs associated with commercializing the technology; and

(2) make recommendations to the participating members of the Initiative for the award and disbursement of grants from the Initiative.

(e) A member of the committee is not eligible to receive funding from the Initiative.

§10–460.

The Corporation shall include, as part of its annual report to the Governor and the General Assembly under § 10–415 of this subtitle, a detailed description of:

(1) the number of technology transfer transactions or projects for which

the Initiative provided funding;

(2) the amount and source of funds the Initiative identified to assist in the development of technologies;

(3) the qualifying universities or entities for which funding was awarded;

(4) the commercial value of technology that was transferred to the commercial industry; and

(5) any recommendations for improving the overall effectiveness of technology transfer through the Initiative.

§10–463.

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

(b) "Commercialization" means the process of introducing a new product or technology into the market.

(c) "Corporation" means the Maryland Technology Development Corporation.

(d) (1) "Cybersecurity" means information technology security.

(2) "Cybersecurity" includes the protection of networked devices, networks, programs, and data from unintended or unauthorized access, change, or destruction.

(e) "Fund" means the Cybersecurity Investment Fund established under § 10–464 of this part.

§10–464.

(a) There is a Cybersecurity Investment Fund.

(b) The purpose of the Fund is to:

(1) provide seed and early–stage funding for emerging technology companies located in the State focused on cybersecurity and cybersecurity technology product development;

(2) maximize Corporation investments by supporting funded emerging technology companies to enable corporate growth and to obtain third–party downstream funding for commercialization; and

(3) leverage Corporation investments in early–stage cybersecurity companies by taking advantage of economic development opportunities throughout the State.

(c) The Corporation shall administer the Fund.

(d) The Fund consists of:

(1) appropriations as provided in the State budget;

(2) money made available to the Fund through federal programs or private contributions;

(3) repayment of capital or principal or payment of interest on any debt or equity investments from the Fund;

(4) investment earnings of the Fund; and

(5) any other money accepted by the Corporation for the Fund.

(e) The Corporation may use the Fund to:

(1) carry out the purposes of the Fund related to the commercialization of cybersecurity research and cybersecurity technology product development in accordance with the terms of this part; and

(2) pay the costs necessary to implement this part and to administer the Fund.

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

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

(3) The State Treasurer shall invest the money in the Fund in the same manner as other State money may be invested.

(4) Any investment earnings of the Fund shall be credited to the Fund.

§10–465.

The Corporation shall include, as part of its annual report to the Governor and the General Assembly under § 10–415 of this subtitle, a detailed description of:

(1) the number of Fund proposals received by the Corporation during the preceding fiscal year;

(2) the number of Fund transactions or projects for which the Corporation provided funding during the preceding fiscal year;

(3) the amount of money awarded by the Fund in the preceding fiscal year; and

(4) the total amount of third–party downstream funding of completed investments since Fund inception.

§10–468.

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

(b) "Corporation" means the Maryland Technology Development Corporation.

(c) "Fund" means the Enterprise Fund established under § 10–469 of this subtitle.

§10–469.

(a) There is an Enterprise Fund in the Corporation.

(b) The Corporation may use the Fund to:

(1) make a grant or loan, at the rate of interest set by the Corporation;

(2) provide equity investment financing for a business enterprise;

(3) guarantee a loan, equity, investment, or other private financing to expand the capital resources of a business enterprise;

(4) purchase advisory services and technical assistance to better support economic development;

(5) pay the Corporation's obligations to a venture firm under the Invest Maryland Program, as provided under § 10–492(c)(2)(i) of this subtitle; and

(6) pay the administrative, legal, and actuarial expenses of the Corporation.

(c) The Corporation shall manage and supervise the Fund.

(d) (1) The Fund is a special, nonlapsing revolving fund that is not subject to reversion under § 7–302 of the State Finance and Procurement Article.

(2) The Treasurer shall hold the Fund and the Comptroller shall account for it.

(e) The Fund consists of:

(1) money appropriated by the State to the Fund;

(2) money made available to the Fund through federal programs or private contributions;

(3) repayment of principal of a loan made from the Fund;

(4) payment of interest on a loan made from the Fund;

(5) proceeds from the sale, disposition, lease, or rental by the Corporation of collateral related to financing that the Corporation provides under this subtitle;

(6) premiums, fees, royalties, interest, repayments of principal, and returns on investments paid to the Corporation by or on behalf of:

(i) a business enterprise in which the Corporation has made an investment under this subtitle; or

(ii) an investor providing an investment guaranteed by the Corporation under this subtitle;

(7) recovery of an investment made by the Corporation in a business enterprise under this subtitle, including an arrangement under which the Corporation's investment in the business enterprise is recovered through:

(i) a requirement that the Corporation receive a proportion of cash flow, commission, royalty, or payment on a patent; or

(ii) the repurchase from the Corporation of any evidence of financial participation, including a note, stock, bond, or debenture;

(8) repayment of a conditional grant extended by the Corporation;

(9) money deposited into the Fund under § 10–492(c)(2)(i) of this subtitle; and

(10) any other money made available to the Corporation for the Fund.

(f) (1) The Treasurer shall invest money in the Fund in the same manner as other State money.

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

§10–470.

(a) The Corporation may require that all or part of a grant be repaid, with interest at a rate the Corporation sets, when conditions specified by the Corporation occur.

(b) (1) Whenever the Corporation is authorized by law to make a grant, including a grant from the Economic Development Opportunities Program Account authorized under § 7–314 of the State Finance and Procurement Article, the Corporation may use money appropriated for the grant to make an equity investment in a business enterprise.

(2) (i) Except as provided in subparagraph (ii) of this paragraph, in making an equity investment under this subtitle, the Corporation may not acquire an ownership interest in an enterprise that exceeds 25%.

(ii) In making an equity investment under this subtitle in one or more venture or private equity firms, the Corporation may acquire an ownership interest exceeding 25%.

(3) Within 15 years after making an equity investment under this subtitle, the Corporation shall divest itself of that investment.

(4) The liability of the State and the Corporation in making an equity investment under this subtitle is limited to the amount of that investment.

(5) The Corporation shall adopt regulations governing equity investments under this subsection that specify:

(i) the types of business enterprises in which an investment may be made;

(ii) the basic standards an enterprise shall meet to qualify for an investment;

(iii) the amount of money available for investment; and

(iv) the criteria that the Corporation uses to make investment decisions.

§10–473.

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

(b) (1) "Affiliate" means:

(i) a person who, directly or indirectly, beneficially owns, controls, or holds power to vote 15% or more of the outstanding voting securities or other voting ownership interests of a venture firm or an insurance company; or

(ii) a person, 15% or more of whose outstanding voting securities or other voting ownership interests is directly or indirectly beneficially owned, controlled, or held with power to vote by a venture firm or an insurance company.

(2) "Affiliate" does not include an insurance company that becomes a purchaser in accordance with an allocation of investment tax credits under the Program solely by reason of the allocation.

(c) "Allocation amount" means the total amount of tax credits allocated to a purchaser.

(d) "Allocation date" means the date on which tax credits are allocated to a purchaser under § 10–483 of this subtitle.

(e) "Authority" means the Maryland Venture Fund Authority established under § 10–474 of this subtitle.

(f) "Corporation" means the Maryland Technology Development Corporation.

(g) "Designated capital" means the amount of money that a purchaser invests under the Program.

(h) "Enterprise Fund" means the Enterprise Fund under this part.

(i) "Financing Authority" means the Maryland Small Business Development Financing Authority under Title 5, Subtitle 5 of this article.

(j) "Insurance premium tax liability" means:

(1) any liability incurred by an insurance company under Title 6, Subtitle 1 of the Insurance Article as of October 1, 2011; or

(2) if the liability referred to in item (1) of this subsection is eliminated or reduced, any other tax liability that has been imposed by the State on the insurance company as of October 1, 2011, not to exceed the amount of the liability eliminated or reduced.

(k) "Premium tax credit" means a credit against insurance premium tax liability offered to a purchaser under the Program.

(l) "Program" means the Invest Maryland Program under this subtitle.

(m) "Purchaser" means:

(1) an insurance company that:

(i) is authorized to do business in the State;

(ii) has insurance premium tax liability; and

(iii) contributes designated capital to purchase an allocation of premium tax credits under the Program; or

(2) a holding company that:

(i) has at least one insurance company subsidiary authorized to do business in the State; and

(ii) is contributing designated capital on behalf of one or more of these subsidiaries.

(n) "Qualified business" means a business that, at the time of the first investment in the business under the Program:

(1) has its principal business operations located in the State and intends to maintain its principal business operations in the State after receiving an investment under the Program;

(2) has agreed to use the qualified investment primarily to:

(i) support business operations in the State; or

(ii) in the case of a start–up company, establish and support business operations in the State;

(3) has not more than 250 employees; and

(4) is not primarily engaged in:

(i) retail sales;

(ii) real estate development;

(iii) the business of insurance, banking, or lending; or

(iv) the provision of professional services by accountants, attorneys, or physicians.

(o) (1) "Qualified distribution" means a distribution or payment by a venture firm of the State's proportionate allocation of costs in connection with:

(i) the reasonable costs and expenses of organizing and syndicating the venture firm, including fees paid for professional services, up to a maximum aggregate amount of $125,000;

(ii) reasonable and necessary fees paid for ongoing professional services, including legal and accounting services, related to the operation of the venture firm, up to a maximum aggregate amount of $50,000 in a single year; and

(iii) a yearly management fee in an amount that does not exceed 2.5% of the designated capital allocated to the venture firm.

(2) "Qualified distribution" does not include any costs and expenses related to lobbying or government relations.

(p) (1) "Qualified investment" means the direct or indirect investment of cash by the Enterprise Fund or the Financing Authority in a qualified business for the purchase of any of the following:

(i) a share of stock or other equity interest;

(ii) a debt instrument that is convertible into equity; or

(iii) an equity participation instrument such as an option or warrant.

(2) A qualified investment includes the direct or indirect investment of cash by a venture firm based on the investment criteria set forth in this subtitle.

(q) "Side car affiliate" means an entity controlled by or under common control with a venture firm that is formed solely for the purpose of investing alongside the venture firm.

(r) "Venture firm" means a partnership, corporation, trust, or limited liability company, whether organized on a profit or a not–for–profit basis, that is certified by the Corporation as meeting the criteria established under § 10–484 of this subtitle.

§10–474.

There is a Maryland Venture Fund Authority in the Corporation.

§10–475.

(a) The Authority consists of the following nine members:

(1) seven members appointed by the Governor with the advice and consent of the Senate;

(2) one member appointed by the President of the Senate; and

(3) one member appointed by the Speaker of the House.

(b) (1) Of the seven members appointed by the Governor:

(i) 1. at least four shall have experience in working with companies that have raised investment capital for seed–stage to venture–stage companies or in providing professional services to the venture capital industry; and

2. one of the four members selected under item 1 of this item shall have experience in higher education research and development and technology transfer projects;

(ii) at least one shall have experience as a small business owner;

(iii) at least one shall have experience as a business executive that has raised venture capital investments; and

(iv) at least one shall be a resident of a rural county in the State.

(2) The Governor shall consider the geographic diversity of the State when appointing members.

(c) The members appointed by the President and the Speaker:

(1) may not be elected officials; and

(2) shall have experience and expertise in venture capital investments.

(d) Each member shall be a resident of the State.

(e) (1) The term of a member is 4 years.

(2) At the end of a term, a member continues to serve until a successor is appointed.

(3) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed.

(4) A member appointed by the Governor may be removed by the Governor with or without cause.

(5) The terms of the members are staggered as required by the terms provided for members of the Authority on July 1, 2011.

(f) A member of the Authority may not have any financial interest in a purchaser, qualified business, or venture firm.

§10–476.

(a) The Governor shall appoint a chair from among the members.

(b) The Authority shall determine the manner of election of officers and their terms of office.

§10–477.

(a) (1) Five members of the Authority are a quorum.

(2) An act of the Authority must be approved by a majority vote of the members attending a meeting at which a quorum is present.

(b) A member of the Authority:

(1) may not receive compensation as a member of the Authority; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(c) A member of the Authority shall file a public disclosure of financial interests as required under the Maryland Public Ethics Law.

§10–478.

The Authority shall provide advice to and consult with the Corporation in connection with the administration of the Program under this subtitle.

§10–481.

(a) All designated capital from purchasers shall be deposited into the Enterprise Fund to be invested as provided in this subtitle.

(b) The Corporation shall allocate designated capital as follows:

(1) 67% to one or more venture firms to fund the making of qualified investments based on the criteria set forth in this subtitle, provided, that not more than 20% of this amount may be invested in the side car fund affiliates of the venture firms; and

(2) 33% to the Enterprise Fund, to be allocated:

(i) $250,000 to the Rural Maryland Council for its operational expenses;

(ii) 75% of the remaining amount to fund the making of qualified investments in qualified businesses under the existing policies and procedures of the Enterprise Fund; and

(iii) 25% of the remaining amount to the Financing Authority Equity Participation Investment Program, to be invested in qualified businesses in accordance with the policies and procedures of the Financing Authority under Title 5, Subtitle 5, Part V of this article.

(c) It is the goal of the State that a portion of the designated capital received under subsection (b)(2)(ii) of this section be used to make qualified investments in qualified businesses located in rural areas of the State.

(d) As soon as practicable after the Corporation receives each installment of designated capital, the Corporation and each venture firm that has been allocated designated capital shall enter into a contract under which the allocated amount of designated capital will be transferred by the Corporation to the venture firm for investment as provided in this subtitle.

(e) The Corporation shall secure the commitment of the purchasers in accordance with § 10–482 of this subtitle.

§10–482.

(a) The Authority shall obtain the services of an independent third party to conduct a bidding process in order to secure purchasers for the Program as provided in

this section.

(b) Using the procedures adopted by the independent third party, each potential purchaser shall make a timely and irrevocable offer, subject only to the Corporation's issuance to the purchaser of tax credit certificates, to make specified contributions of designated capital to the Corporation on the dates specified in § 10–483(a) of this subtitle.

(c) The offer shall include:

(1) the requested amount of tax credits, which may not be less than $1,000,000;

(2) the potential purchaser's specified contribution for each tax credit dollar requested, which may not be less than the greater of:

(i) 70% of the requested dollar amount of tax credits; or

(ii) the percentage of the requested dollar amount of tax credits that the Secretary, on the recommendation of the independent third party, determines to be consistent with market conditions as of the offer date; and

(3) any other information the independent third party requires.

(d) (1) The deadline for submission of applications for tax credits is February 1, 2012.

(2) Each potential purchaser shall receive a written notice from the Corporation not later than May 1, 2012, indicating whether or not it has been approved as a purchaser and, if so, the amount of tax credits allocated.

(e) The maximum amount of premium tax credits that may be allocated under this subtitle for all years in which premium tax credits are allocated is $100,000,000.

§10–483.

(a) Designated capital committed by a purchaser shall be paid to the Enterprise Fund in three equal yearly installments due on June 1 of 2012, 2013, and 2014.

(b) On receipt of each installment of designated capital, the Corporation shall issue to each purchaser a tax credit certificate representing a fully vested credit against insurance premium tax liability equal to one–third of the total premium tax credits allocated to the purchaser.

(c) The Corporation shall issue tax credit certificates to purchasers in accordance with the bidding process selected by the independent third party on behalf of the Authority under § 10–482 of this subtitle.

(d) The tax credit certificate shall state:

(1) the total amount of premium tax credits that the purchaser may claim;

(2) the amount of designated capital that the purchaser has contributed in return for the issuance of the tax credit certificate;

(3) the dates on which the tax credits will be available for use by the purchaser;

(4) any penalties or other remedies for noncompliance;

(5) the procedures to be used for transferring the tax credits; and

(6) any other requirements the Corporation considers necessary.

(e) (1) A tax credit certificate may not be issued to any purchaser that fails to make a contribution of designated capital within the time the Corporation specifies.

(2) A purchaser that fails to make a contribution of designated capital within the time the Corporation specifies shall be subject to a penalty equal to 10% of the amount of designated capital that remains unpaid, payable to the Corporation within 30 days after demand by the Corporation.

(3) The Corporation may offer to reallocate the defaulted designated capital among the other purchasers, so that the result after reallocation is the same as if the initial allocation had been performed without considering the premium tax credit allocation to the defaulting purchaser.

(4) If the reallocation of designated capital results in the contribution by another purchaser or purchasers of the amount of designated capital not contributed by the defaulting purchaser, then the Corporation may waive the penalty provided under this subsection.

(5) (i) A purchaser that fails to make a contribution of designated capital within the time specified may avoid the imposition of the penalty by transferring the allocation of tax credits to a new or existing purchaser within 30 days after the due date of the defaulted installment.

(ii) Any transferee of an allocation of tax credits of a defaulting purchaser under this section shall agree to make the required contribution of designated capital within 30 days after the date of the transfer.

(6) (i) The Corporation in its sole discretion may purchase insurance or make other financial arrangements in order to ensure the availability of the full amount of designated capital committed by purchasers.

(ii) The Corporation shall disclose any purchase of insurance or

other similar financial arrangement under this paragraph in the annual report required under § 10–499 of this subtitle.

§10–484.

(a) (1) Subject to the restriction in paragraph (2) of this subsection, a purchaser may claim the premium tax credit on a premium tax return filed after December 31, 2014, for a taxable year that begins on or after January 1, 2014.

(2) In each calendar year from 2015 through 2019, a purchaser may claim up to 20% of the premium tax credit allocated to that purchaser.

(b) (1) The credit to be applied against insurance premium tax liability in any 1 year may not exceed the insurance premium tax liability of the purchaser for that taxable year.

(2) Any unused credit against insurance premium tax liability may be:

(i) carried forward indefinitely until the premium tax credits are used; and

(ii) used by the purchaser without restriction during any calendar year after 2019.

(3) On 30 days' advance notice to the Corporation, premium tax credits allocated to a purchaser under this subtitle may be transferred without further restriction to any other entity that:

(i) meets the definition of a purchaser;

(ii) is in good standing with the Maryland Insurance Administration; and

(iii) agrees to assume all of the transferor's obligations under the Program.

(c) A purchaser claiming a credit against insurance premium tax liability earned through an investment under the Program is not required to pay any additional tax as a result of claiming the credit.

(d) A purchaser is not required to reduce the amount of premium tax included by the purchaser in connection with rate–making for any insurance contract written in the State because of a reduction in the purchaser's insurance premium tax derived from the credit granted under this subtitle.

§10–487.

(a) Subject to the approval of the Corporation, the Authority shall obtain the

services of an independent third party to:

(1) establish application procedures for an entity to be certified as a venture firm; and

(2) review and evaluate applications for venture firm certification under this section.

(b) The independent third party selected by the Authority shall:

(1) review and evaluate the application, organizational documents, and business history of each applicant;

(2) evaluate whether the applicant is likely to achieve the investment criteria set forth in this subtitle; and

(3) recommend to the Authority which venture firms should receive allocations of designated capital under the Program.

(c) (1) On receiving the recommendations of the independent third party selected under subsection (a) of this section and subject to § 10–488 of this subtitle, the Authority shall select venture firms to receive allocations of designated capital that are consistent with the investment criteria set forth in this subtitle.

(2) The Authority shall ensure that the venture firms receiving designated capital for investment under this subtitle make investments in the State that equal or exceed the amount of designated capital received under this subtitle.

(3) Subject to the approval of the Corporation, the Authority may enter into written agreements, including partnership agreements and side agreements, that are necessary to carry out the purposes of this part.

§10–488.

(a) In selecting applicants for venture firm certification, the Authority shall consider:

(1) the management structure of the applicant, including:

(i) the investment experience of the principals;

(ii) the applicant's reputation in the venture firm industry and the applicant's ability to attract co–investment capital and syndicate investments in qualified businesses in the State;

(iii) the knowledge, experience, and capabilities of the applicant in subject areas relevant to venture–stage businesses in the State;

(iv) the tenure and turnover history of principals and senior

investment professionals of the applicant; and

(v) whether the State's investment in the applicant under this program would exceed 15% of the total invested in the applicant by all investors, including investments in any side car fund affiliates;

(2) the applicant's investment strategy, including:

(i) the applicant's track record of investing in venture–stage businesses;

(ii) the applicant's history of attracting co–investment capital and syndicate investments;

(iii) the soundness of the applicant's investment strategy and the compatibility of that strategy with business opportunities in the State; and

(iv) the applicant's history of job creation through investment;

(3) the applicant's commitment to making investments, that to the fullest extent possible:

(i) create employment opportunities in the State;

(ii) lead to the growth of the State economy and qualified businesses in the State;

(iii) complement the research and development projects of State academic institutions; and

(iv) foster the development of technologies and industries that present opportunities for the growth of qualified businesses in the State; and

(4) the applicant's commitment to the State, including:

(i) the applicant's presence in the State through permanent local offices or affiliation with local investment firms;

(ii) the local presence of senior investment professionals;

(iii) the applicant's history of investing in venture–stage businesses in the State;

(iv) the applicant's ability to identify investment opportunities through working relationships with State research and development institutions and State–based businesses;

(v) the applicant's relationship with other venture firms in the region;

(vi) the applicant's history of investing in areas relevant to venture–stage businesses in the State; and

(vii) the applicant's commitment to investing a similar or greater amount of designated capital received under this subtitle in State–based ventures and qualified businesses.

(b) (1) An applicant shall file an application with the Corporation in the form required by the Corporation.

(2) The application shall include the applicant's most recent financial statements.

(3) The Corporation shall begin accepting applications for certification on or before January 1, 2012.

(4) An application for certification may not be accepted after May 1, 2012.

(c) To be certified as a venture firm:

(1) the applicant must have, at the time of application, an equity capitalization, net assets, or written commitments of at least $500,000 in the form of cash or cash equivalents; and

(2) at least two principals or persons employed to direct the investment of the designated capital of the applicant must have at least 5 years of money management experience in the venture capital or private equity sectors.

(d) Not later than 90 days after an application is filed, the Secretary shall either:

(1) issue the certification; or

(2) refuse to issue the certification and communicate in detail to the applicant the grounds for the refusal.

§10–489.

(a) (1) A business that is classified as a qualified business at the time of the first investment in the business by a venture firm, the Enterprise Fund, or the Financing Authority remains classified as a qualified business and may receive follow–on investments from a venture firm, the Enterprise Fund, or the Financing Authority.

(2) Except as provided in paragraph (3) of this subsection, a follow–on investment made under this subsection is a qualified investment even though the business does not meet the definition of a qualified business at the time of the follow–on investment.

(3) With respect to an investment by the Enterprise Fund or the Financing Authority, a follow–on investment does not qualify as a qualified investment if, at the time of the follow–on investment, the qualified business no longer has its principal business operations in the State.

(b) Each venture firm shall inform the Corporation in writing when the venture firm requires designated capital for investment or for the payment of approved fees and expenses.

§10–490.

(a) A purchaser or affiliate may not directly or indirectly:

(1) manage a venture firm;

(2) beneficially own, through rights, options, convertible interests, or otherwise, more than 15% of the voting securities or other voting ownership interest of a venture firm; or

(3) control the direction of investments for a venture firm.

(b) Subsection (a) of this section applies whether or not the purchaser or affiliate is authorized to do business in the State.

§10–491.

(a) Not later than March 31 of each year, each venture firm and the Financing Authority shall report to the Corporation:

(1) the amount of designated capital remaining uninvested at the end of the preceding calendar year;

(2) all qualified investments made during the preceding calendar year, including the number of employees of each business at the time the qualified investment was made and as of December 31 of that year;

(3) for any qualified investment in which the venture firm or the Financing Authority no longer has a position as of the end of the calendar year, the number of employees of the business as of the date the investment was terminated; and

(4) any other information the Corporation requires to ascertain the impact of the Program on the economy of the State.

(b) Not later than 180 days after the end of its fiscal year, each venture firm shall provide to the Corporation an audited financial statement that includes the opinion of an independent certified public accountant.

(c) Not later than 60 days after the sale or other disposition of a qualified

investment, the selling venture firm or the Financing Authority shall provide to the Corporation a report on the amount of the interest sold or disposed of and the consideration received for the sale or disposition.

§10–492.

(a) A venture firm may make a qualified distribution at any time.

(b) To make a distribution that is not a qualified distribution, a venture firm shall pay to the Comptroller the venture firm's pro rata share of distributions made to all limited partners as provided under the applicable partnership documents and any agreement with the Corporation.

(c) (1) Except as provided in paragraph (2) of this subsection, the Comptroller shall distribute all payments received under this section to the General Fund within 30 days of receipt.

(2) (i) If the Corporation has an obligation under applicable venture firm investment documents to return to the venture firm a payment previously distributed to the Comptroller, the Comptroller shall deposit an amount equal to that payment into the Enterprise Fund to cover the obligation.

(ii) If the Corporation determines that the money deposited under subparagraph (i) of this paragraph is no longer required to be returned to a venture firm under the applicable investment documents, the Corporation shall notify the Comptroller that the money may be distributed to the General Fund.

§10–493.

Investment returns resulting from the qualified investments made under the Program by the Enterprise Fund or the Financing Authority shall be used to make additional qualified investments in qualified businesses by the Enterprise Fund or the Financing Authority.

§10–496.

(a) In any case under the insurance law of the State in which the assets of a purchaser are examined or considered, the designated capital shall be treated as an admitted asset, subject to the same financial rating as that held by the State.

(b) The Corporation shall submit the following to the Maryland Insurance Administration:

(1) the names, addresses, and amount of designated capital to be contributed and premium tax credits earned by each successful bidder within 30 days after the close of the bidding process under § 10–482 of this subtitle;

(2) a copy of the tax credit certificate issued to each purchaser within 30

days after the issuance of the certificate under § 10–483 of this subtitle;

(3) the occurrence of a default by a purchaser; and

(4) the transfer of premium tax credits by a purchaser.

§10–497.

(a) Except as provided in subsection (b) of this section, Division II of the State Finance and Procurement Article does not apply to a service that the Corporation obtains that is related to the investment, management, analysis, purchase, or sale of an asset of the Corporation in a transaction authorized under this part.

(b) The Corporation is subject to Title 12, Subtitle 4 of the State Finance and Procurement Article for services related to the investment, management, analysis, purchase, or sale of assets of the Corporation in any transaction authorized under this part.

(c) Section 10–305 of the State Finance and Procurement Article does not apply to the sale, lease, transfer, exchange, or other disposition of real or personal property, including a share of stock in a business entity, that the Corporation acquires in a transaction authorized under this part.

§10–498.

The Corporation shall administer this part and may adopt regulations to carry out this part.

§10–499.

(a) (1) In accordance with § 2.5–109 of this article, the Corporation shall submit a report on the implementation of the Program.

(2) In addition to the requirements under § 2.5–109(c) of this article, the report required under this section shall be submitted to the Senate Budget and Taxation Committee and the House Ways and Means Committee.

(3) The Corporation shall publish the report on the Corporation's Web site in a publicly available format.

(4) The report published on the Web site may not include any proprietary or confidential information.

(b) The report shall include:

(1) with respect to each purchaser of premium tax credits under the Program:

(i) the name of the purchaser of premium tax credits;

(ii) the amount of premium tax credits allocated to the purchaser;

(iii) the amount of designated capital the purchaser contributed for the issuance of the tax credit certificate; and

(iv) the amount of any tax credits that have been transferred under § 10–484 of this subtitle;

(2) with respect to each venture firm that has received an allocation of designated capital:

(i) the name and address of the venture firm;

(ii) the names of the individuals making decisions on behalf of the venture firm to make qualified investments under the Program;

(iii) the amount of designated capital received during the previous fiscal year;

(iv) the cumulative amount of designated capital received;

(v) the amount of designated capital remaining uninvested at the end of the previous fiscal year;

(vi) the names and locations of qualified businesses receiving designated capital and the amount of each qualified investment;

(vii) for the previous fiscal year, the aggregate fair market value of all qualified investments as calculated according to generally accepted accounting principles; and

(viii) the amount of any qualified distribution or nonqualified distribution taken during the previous fiscal year, including any management fee;

(3) with respect to the Enterprise Fund:

(i) the amount of designated capital received during the previous fiscal year;

(ii) the cumulative amount of designated capital received;

(iii) the amount of designated capital remaining uninvested at the end of the previous fiscal year;

(iv) the names and locations of qualified businesses receiving designated capital and the amount of each qualified investment; and

(v) for the previous fiscal year, the aggregate fair market value of all qualified investments as calculated according to generally accepted accounting

principles;

(4) with respect to the Financing Authority:

(i) the amount of designated capital received during the previous fiscal year and the amount allocated to the Equity Participation Investment Program;

(ii) the cumulative amount of designated capital received;

(iii) the amount of designated capital remaining uninvested at the end of the previous fiscal year;

(iv) the names and locations of qualified businesses receiving designated capital and the amount of each qualified investment; and

(v) for the previous fiscal year, the aggregate fair market value of all qualified investments as calculated under generally accepted accounting principles; and

(5) for the previous fiscal year, with respect to the qualified businesses in which venture firms, the Enterprise Fund, or the Financing Authority have invested:

(i) the classification of the qualified businesses according to the industrial sector and the size of the business;

(ii) the total number of jobs created in the State by the investment and the average wages paid for the jobs; and

(iii) the total number of jobs retained in the State as a result of the investment and the average wages paid for the jobs.

§10–501.

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

(b) "Agricultural loan" means a loan made to a person by a lender to finance:

(1) land acquisition or improvement;

(2) agricultural, aquacultural, equine, horticultural, or silvicultural production;

(3) soil conservation;

(4) pond construction;

(5) irrigation;

(6) water well drilling;

(7) improvement of a structure or facility;

(8) purchase of a farm fixture, livestock, or poultry;

(9) fish, crustaceans, or mollusks of any kind;

(10) seeds, plants, or trees;

(11) fertilizer;

(12) pesticide;

(13) feed;

(14) equipment; or

(15) containers or supplies employed in the production, cultivation, harvesting, processing, storage, marketing, distribution, or export of an agricultural product.

(c) "Agriculture" means the commercial production, storage, processing, marketing, distribution, or export of an agronomic, aquacultural, equine, floricultural, horticultural, ornamental, silvicultural, or viticultural crop, including:

(1) a farm product;

(2) livestock or a livestock product;

(3) poultry or a poultry product;

(4) milk or a dairy product;

(5) timber or a forest product;

(6) fruit or a horticultural product; and

(7) seafood or an aquacultural product.

(d) "Board" means the Board of Directors of the Corporation.

(e) (1) "Bond" means a bond of the Corporation issued under this subtitle.

(2) "Bond" includes:

(i) a renewal note;

(ii) a refunding bond;

(iii) an interim certificate;

(iv) a certificate of indebtedness;

(v) a debenture;

(vi) a warrant;

(vii) commercial paper; and

(viii) any other obligation.

(f) "Corporation" means the Maryland Agricultural and Resource-Based Industry Development Corporation.

(g) "Finance" includes refinance.

(h) "Improve" means to add, alter, construct, equip, expand, extend, reconstruct, rehabilitate, remodel, or repair.

(i) "Improvement" means addition, alteration, construction, equipping, expansion, extension, reconstruction, rehabilitation, remodeling, or repair.

(j) (1) "Lender" means a financial institution authorized to do business in the State or operating under the supervision of a federal unit.

(2) "Lender" includes:

(i) a bank;

(ii) a trust company;

(iii) a federal land bank;

(iv) a farm credit association;

(v) a bank for cooperatives;

(vi) insurance company;

(vii) investment banker;

(viii) mortgage banker or company;

(ix) pension or retirement fund;

(x) savings and loan association;

(xi) small business investment company; or

(xii) credit union.

(k) (1) "Person" has the meaning stated in § 9-101 of this article.

(2) "Person" also includes a unit of a state or of the federal government.

(l) (1) "Project" means any property, the acquisition or improvement of which the Board, in its sole discretion, determines by resolution will accomplish at least one of the purposes listed in § 10-502 of this subtitle, whether or not the property, or any interest in the property:

(i) is or will be used or operated for profit or not for profit;

(ii) is or will be located on one or more sites; or

(iii) may be financed by bonds, the interest on which is exempt from taxation under federal law.

(2) "Project" includes:

(i) property and rights related to the property, appurtenances, rights-of-way, franchises, easements, and other interests in property;

(ii) structures, equipment, furnishings, rail or motor vehicles, barges, and boats;

(iii) property that is functionally related and subordinate to a project; and

(iv) patents, licenses, and other rights necessary or useful in the improvement or operation of a project.

(m) (1) "Revenue" means the income, revenue, and other money received by the Corporation from or in connection with a project and all other income of the Corporation.

(2) "Revenue" includes grants, rentals, rates, fees, and charges for the use of the services furnished or available.

§10–502.

(a) The General Assembly finds that:

(1) the State's agricultural and resource-based industries continue to underpin the local economies of rural communities, but are increasingly under threat from national and international market competition, urban encroachment and land development pressure, and environmental and regulatory influences;

(2) the construction and renovation of food and fiber processing and secondary manufacturing facilities often require credit and capital in amounts that far exceed the available resources of individual small producers and small businesses;

(3) private enterprise and existing federal and State governmental programs have not adequately addressed agricultural industry support or developmental opportunities relating to emergent value-added agricultural processing activities, development of new or alternative markets, primary and secondary manufacturing, assistance for beginning farmers and producers, and financial support for environmental or technological enhancements;

(4) while some traditional agricultural enterprises in the State may have access to markets, capital, and credit, other existing or emerging segments of the agricultural industry lack market access, capital, and credit available for investment in agriculture, for domestic and export purposes, and at interest rates within the financial means of persons engaged in agricultural production and agricultural exports;

(5) in conjunction with the financial and other challenges associated with traditional agricultural industries, there is a need to provide economic and market development assistance to those individuals who wish to start, convert, or diversify their agricultural operations, or to make improvements associated with environmental regulations and potential market opportunities; and

(6) it is a matter of significant importance to rural economic development that the Corporation be created and authorized to:

(i) develop agricultural industries and markets;

(ii) support appropriate commercialization of agricultural processes and technology; and

(iii) alleviate the shortage of nontraditional capital and credit available at affordable interest rates for:

1. investment in agriculture to promote and assist agriculture in the State;

2. the sale of agricultural products, commodities, and services; and

3. capital investment in agricultural projects by providing capital and credit within the financial means of persons engaged in agriculture in the State.

(b) The purpose of the Corporation is to:

(1) assist the viability of the State's diverse agricultural industry through development of new markets, capital and credit enhancements, and technical and other assistance to support, create, and sustain agricultural businesses throughout the State;

(2) provide financing and other assistance for product development,

start-up and scale-up of food-related and fiber-related growing and processing operations in the State, and for technological enhancements that benefit the environment and water quality;

(3) seek partnerships and leveraging opportunities with public and private for-profit and not-for-profit entities in making capital and credit assistance available to individual producers, producer cooperatives, and other agribusiness concerns operating in the State;

(4) facilitate and support access to high quality technical resources for agricultural entrepreneurs by incorporating existing support infrastructure including the development of strategic partnering opportunities and business incubation;

(5) foster cross-industry communication and assist other organizations in transferring to the private sector and commercializing the results and products of scientific agricultural research and development conducted by the federal government and colleges and universities; and

(6) work with public and private lending and grant-making institutions to:

(i) make low-interest and no-interest loans and loan guarantees available for agricultural product development, primary processing, and secondary manufacturing;

(ii) provide credit and capital to beginning farmers for land, equipment, and working capital acquisition;

(iii) make incentives available for activities related to small farm or small landowner viability and best management practices; and

(iv) make temporary land and easement purchases in accordance with State or local critical farm acquisition programs.

§10–503.

This subtitle shall be liberally construed to carry out its purposes.

§10–504.

(a) There is a Maryland Agricultural and Resource-Based Industry Development Corporation.

(b) The Corporation is a body politic and corporate and is an instrumentality of the State.

§10–505.

(a) (1) There is a Board of Directors of the Corporation.

(2) The Board manages the Corporation and exercises all of its corporate powers.

(b) The Board consists of the following members:

(1) as ex officio members:

(i) the Secretary or a designee of the Secretary who is a senior-level departmental official;

(ii) the Secretary of Agriculture or a designee of the Secretary who is a senior-level departmental official;

(iii) the Secretary of Natural Resources or a designee of the Secretary who is a senior-level departmental official;

(iv) the Executive Director of the Maryland Food Center Authority;

(v) the Executive Director of the Rural Maryland Council; and

(vi) the Director of the Maryland Cooperative Extension Service; and

(2) eleven individuals appointed by the Governor with the advice and consent of the Senate as follows:

(i) two agricultural producers representing at least two different farm commodity industries in the State;

(ii) two representatives from commercial lending institutions serving rural regions in the State, one of whom shall represent a major farm credit organization operating in the State;

(iii) one representative of the timber and forest products industry;

(iv) one representative of the aquaculture industry;

(v) one representative of the commercial seafood harvesting and processing industry;

(vi) one individual with knowledge and experience in the area of operating commercial food or fiber processing facilities;

(vii) one individual with knowledge and experience in the area of public finance;

(viii) one individual with knowledge and experience in the area of rural economic development or agricultural marketing; and

(ix) one individual with knowledge about the agricultural, forestry, or seafood industries or agritourism in the State or with substantial and relevant economic development experience.

(c) A member of the Board shall be a resident of the State.

(d) In appointing members of the Board under subsection (b)(2) of this section, the Governor shall consider all of the geographic regions of the State.

(e) (1) The term of a member appointed under subsection (b)(2) of this section is 4 years.

(2) The terms of the appointed members are staggered as required by the terms provided for the members on October 1, 2008.

(3) At the end of a term, an appointed member continues to serve until a successor is appointed and qualifies.

(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(f) The Governor may remove a member of the Board for incompetence, misconduct, or failure to perform the duties of the position.

(g) The Board shall elect a chair from among its members.

(h) The Board may act with an affirmative vote of nine members.

(i) A member of the Board:

(1) serves without compensation as a member of the Board; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations as provided in the State budget.

§10–506.

The Corporation shall employ an Executive Director with experience and qualifications relevant to the activities and the purposes of the Corporation.

§10–507.

The Attorney General serves as legal advisor to the Corporation.

§10–508.

(a) The Corporation is exempt from:

(1) Title 10 and Division II of the State Finance and Procurement Article;

(2) laws governing the State Personnel Management System under Division I of the State Personnel and Pensions Article; and

(3) §§ 19–205 and 19–206 of the Local Government Article (Conditions upon Sale of Public Securities).

(b) (1) The Corporation is subject to the Public Information Act.

(2) The Corporation is exempt from the Open Meetings Act.

(c) The Board and employees of the Corporation are subject to the Public Ethics Law.

§10–509.

The Corporation may:

(1) adopt bylaws for the conduct of its business;

(2) adopt a seal;

(3) maintain an office at a place it designates in the State;

(4) accept loans, grants, or financial and technical assistance in any form from the federal or State government, local governments, colleges or universities, or a private source;

(5) enter into contracts and other legal instruments;

(6) sue or be sued;

(7) acquire, purchase, hold, lease as a lessee, and use any franchise, patent, or license and real, personal, mixed, or tangible or intangible property, or any interest in property;

(8) own, improve, sell, lease as a lessor, transfer, license, assign, encumber, and dispose of any property or interest in property, necessary or convenient to carry out its purposes at public sale, with or without public bidding;

(9) fix and collect rates, rentals, fees, royalties, and charges for the use of or for services and resources it provides or makes available;

(10) retain any necessary accountants, engineers, financial advisors, and

other consultants;

(11) with the approval of the Attorney General, retain any necessary lawyers;

(12) further define or limit the term "revenue" defined in § 10-501 of this subtitle as the term applies to a particular project, financing, or other matter;

(13) create, own, control, or be a member of a corporation, limited liability company, partnership, or other person, whether operated for profit or not for profit;

(14) exercise a power usually possessed by a private corporation in performing similar functions unless to do so would conflict with State law; and

(15) do anything necessary or convenient to carry out the powers granted by this subtitle.

§10–510.

The Corporation may make grants to or provide equity investment financing for agricultural and resource-based businesses.

§10–511.

The Corporation may:

(1) acquire, improve, develop, manage, market, manufacture, license, maintain, lease as lessor or as lessee, and operate a project in the State to carry out the purposes of the Corporation;

(2) acquire, directly or indirectly, by purchase, gift, or devise, property, rights, rights-of-way, franchises, easements, and other interests in land, including land lying under water and riparian rights, located in or outside the State as necessary or convenient to improve or operate a project, on terms and at prices the Corporation considers reasonable; and

(3) enter into a project with a manufacturer to carry out the purposes of this subtitle.

§10–512.

The Corporation may:

(1) (i) borrow money and issue bonds;

(ii) purchase, discount, sell, negotiate and guarantee, insure, co-insure, and reinsure negotiable instruments, bills of exchange, acceptances, bankers' acceptances, cable transfers, letters of credit, and other evidences of indebtedness; and

(iii) provide for the rights of lenders and bondholders;

(2) procure insurance or reinsurance against:

(i) loss in connection with its property or operations, including insurance, reinsurance, or other guarantees from any federal or State unit or private insurance company for the payment of bonds issued by the Corporation, or bonds, notes, or any other obligations issued or made by any lender or other person; or

(ii) loss with respect to agricultural loans, mortgages or mortgage loans, or any other type of loans, including the power to pay premiums on the insurance or reinsurance;

(3) (i) insure, co-insure, or reinsure agricultural loans, mortgage loans or mortgages, or any other type of loans;

(ii) pay or receive premiums on the insurance, co-insurance, or reinsurance;

(iii) establish reserves for losses; and

(iv) participate in the insurance, co-insurance, or reinsurance of agricultural loans, mortgage loans or mortgages, or any other type of loans with the federal or State government or any private insurance company;

(4) make loans to or deposits with lenders;

(5) purchase or sell agricultural loans;

(6) fix and collect fees and charges in connection with its loans, deposits, insurance commitments, and services, including reimbursement of costs of issuing bonds, origination and servicing fees, and insurance premiums; and

(7) subject to the rights of its bondholders:

(i) renegotiate, refinance, or foreclose on a mortgage, security interest, or lien;

(ii) commence an action to protect or enforce any right or benefit conferred on the Corporation by any law or agreement;

(iii) consent to modification of an interest rate, time, payment, security, or other term or condition of an agreement to which the Corporation is a party or beneficiary;

(iv) bid for and purchase property at any foreclosure or at any other sale, or otherwise acquire or take possession of any property; and

(v) in connection with an acquisition under item (iv) of this

paragraph, complete, administer, pay the principal of and interest on any obligation incurred in connection with the property, dispose of, and otherwise deal with the property in any manner necessary or desirable to protect the interest of the Corporation or its bondholders in the property.

§10–513.

(a) The Corporation may authorize the issuance of revenue bonds by resolution.

(b) The Corporation may issue the bonds:

(1) to finance all or part of the costs of a project; and

(2) for any other lawful purpose of the Corporation authorized in this subtitle.

(c) The Corporation may issue the bonds at one time or from time to time.

(d) The Corporation shall determine:

(1) the date of the bonds;

(2) the interest rates of the bonds;

(3) the maturity date of the bonds, which may not exceed 40 years from the date of issue;

(4) the prices, terms, and conditions of sale of the bonds;

(5) the form of the bonds;

(6) the manner of executing the bonds;

(7) the denominations of the bonds; and

(8) the places of payment of principal of and interest on the bonds, at a bank or trust company in or outside the State.

(e) An officer's signature or facsimile signature on a bond remains valid even if the officer leaves office before the bond is delivered.

(f) (1) The bonds are negotiable instruments under the laws of the State.

(2) Bonds may be registrable.

(g) (1) The Corporation may sell the bonds by competitive or negotiated sale in a manner and for a price that the Corporation determines.

(2) The bonds are exempt from §§ 8-206 and 8-208 of the State Finance

and Procurement Article.

(h) Bond proceeds may be placed in escrow pending application of the proceeds to the purposes for which the bonds are issued.

§10–514.

(a) (1) This section does not prevent the Corporation from pledging its full faith and credit to the payment of a bond.

(2) This section does not limit the ability of the State or a political subdivision to impose an assessment, rate, fee, or charge to pay to the Corporation any cost, including the principal of and interest on a bond, under an agreement between the Corporation and the State or political subdivision.

(b) (1) A bond:

(i) is not a debt, liability, or a pledge of the full faith and credit of the State or of any political subdivision; and

(ii) is payable solely from revenues provided under this subtitle.

(2) The issuance of a bond is not directly, indirectly, or contingently a moral or other obligation of the State or a political subdivision to levy or pledge any tax or to make an appropriation to pay the bond.

(3) Each bond shall state on its face that:

(i) neither the State nor a political subdivision, other than the Corporation, is obliged to pay the principal of or interest on the bond, except from revenues pledged to payment of the bond; and

(ii) neither the full faith and credit nor the taxing power of the State or a political subdivision is pledged to the payment of the principal of or interest on the bond.

§10–515.

(a) (1) The Corporation may secure a bond by a trust agreement between the Corporation and a corporate trustee.

(2) A corporate trustee may be any trust company or bank that has the powers of a trust company in or outside the State.

(3) A corporation or trust company incorporated in the State may:

(i) act as depository of bond proceeds or revenue; and

(ii) furnish any indemnity bond or pledge security that the

Corporation requires.

(b) The trust agreement or the resolution that provides for the issuance of a bond may:

(1) state the rights and remedies of bondholders and any trustee;

(2) contain provisions to protect and enforce the rights and remedies of bondholders;

(3) contain covenants stating the duties of the Corporation as to the custody, safeguarding, and application of money;

(4) restrict the individual right of action of bondholders;

(5) provide for the payment of the bond proceeds and revenues to an officer, board, or depository that the Corporation determines with the safeguards and restrictions that the Corporation determines; and

(6) provide for the method of disbursement of the bond proceeds and revenues, with the safeguards and restrictions that the Corporation determines.

(c) Expenses incurred in carrying out a trust agreement may be treated as a part of the cost of operation of the Corporation.

§10–516.

(a) The portion of the proceeds of bonds issued to pay costs of a project may be invested in investments or other obligations that mature no later than the times when the proceeds will be needed.

(b) (1) Except as provided in paragraph (2) of this subsection, the Corporation shall determine the investment of bond proceeds.

(2) If the Corporation loans the proceeds of the bonds to a person as provided in § 10-519 of this subtitle, the loan recipient shall determine the investment of bond proceeds.

(c) The Corporation or the loan recipient may apply earnings and profits on investments or other obligations:

(1) to the payment of any cost; or

(2) in any other lawful manner.

§10–517.

(a) (1) The Corporation may issue bonds to refund any outstanding bonds, including paying:

(i) any redemption premium;

(ii) interest accrued or to accrue to the date of redemption, purchase, or maturity of the bonds; and

(iii) if considered advisable by the Corporation, any part of the cost of a project.

(2) Refunding bonds may be issued for any corporate purpose, including:

(i) realizing savings in the effective costs of debt service, directly or through a debt restructuring;

(ii) alleviating an impending or actual default; or

(iii) relieving the Corporation of a contractual agreement that the Corporation finds to be unreasonably onerous, impracticable, or impossible to perform.

(b) (1) The Corporation may issue refunding bonds in one or more series in an amount greater than the amount of the bonds to be refunded.

(2) (i) Refunding bonds may be made payable from:

1. escrowed bond proceeds;

2. earnings and profits, if any, on investments; or

3. any other source.

(ii) These sources:

1. may be applied to other uses; and

2. constitute revenues of a project under this subtitle.

(c) In the discretion of the Corporation, the proceeds of refunding bonds may be:

(1) applied to the purchase, retirement at maturity, or redemption of outstanding bonds on a date the Corporation determines; and

(2) pending application under item (1) of this subsection, placed in escrow.

(d) (1) The Corporation may invest escrowed refunding bond proceeds in investments and other obligations, maturing on appropriate dates to assure the prompt payment of the principal of, interest on, and any redemption premium on the bonds to be refunded.

(2) (i) Except as provided in subparagraph (ii) of this paragraph, the

Corporation shall determine the investment of the proceeds of refunding bonds.

(ii) If the Corporation loans the proceeds of refunding bonds to a person as provided in § 10-519 of this subtitle, the loan recipient shall determine the investment of the proceeds of refunding bonds.

(3) The earnings and any profits on investments or other obligations may be applied to the payment of the outstanding bonds to be refunded.

(4) After the terms of the escrow have been fully satisfied, the balance of the proceeds and earnings and profits on investments or other obligations may be returned to the Corporation or the loan recipient for use in any lawful manner.

§10–518.

(a) The Corporation may pledge or assign:

(1) any of its revenues;

(2) any of its rights to receive revenues;

(3) money and securities in accounts established to secure a bond; and

(4) a lien or security interest granted or assignment made to the Corporation.

(b) A pledge or assignment:

(1) is valid and binding against any person having a claim against the Corporation, in contract, tort, or otherwise, regardless of whether the person has notice of the pledge or assignment; and

(2) has priority over the claim.

(c) A resolution, trust agreement, assignment, financing agreement, or other instrument that creates a lien, security interest, assignment, or pledge under subsection (a) of this section:

(1) shall be filed in the records of the Corporation; but

(2) need not be filed or recorded elsewhere.

§10–519.

(a) The Corporation may:

(1) lend or otherwise make available the proceeds of its bonds to a person to finance costs of a project; and

(2) enter into a financing agreement, mortgage, or other instrument that it determines is necessary or desirable to evidence or secure the loan.

(b) (1) A lease for a project may require or authorize the lessee or another person to purchase or otherwise acquire the project for consideration, that the Corporation establishes, on:

(i) payment of the principal of and interest on the bonds that financed the cost of the project; or

(ii) other provision for payment satisfactory to the Corporation.

(2) Consideration required under paragraph (1) of this subsection may be nominal.

§10–520.

(a) (1) The Corporation may purchase and sell agricultural loans made by lenders, at the prices and on the terms and conditions that it determines.

(2) A lender may purchase and sell agricultural loans to the Corporation in accordance with this section.

(b) (1) The Corporation may make loans to and deposits with lenders at interest rates, terms, and conditions that it determines.

(2) A lender may borrow funds and accept deposits from the Corporation in accordance with this subtitle and the bylaws of the Corporation.

(3) The Corporation shall require that all proceeds of its loans to or deposits with lenders, or an equivalent amount, shall be used by the lenders to make agricultural loans, subject to terms and conditions that the Corporation determines.

(c) (1) The Corporation may insure and reinsure agricultural loans made by lenders, subject to the terms, security provisions, and reserve requirements determined by the Corporation in accordance with the bylaws of the Corporation.

(2) Unless otherwise determined by the Corporation, agricultural loans shall be insured to the amount of 100% of the unpaid principal of and interest on each agricultural loan.

(d) An insured agricultural loan is in default when the holder of the agricultural loan requests the Corporation to pay insurance on the loan in accordance with any agreement with respect to the insurance executed in accordance with this section.

(e) The Corporation may enter into agreements with any person, lender, or holder of an insured agricultural loan to:

(1) provide for the administration, application, and repayment of the agricultural loan; and

(2) establish the conditions for payment of insurance by the Corporation, and the servicing, suit on, or foreclosure of the agricultural loan.

(f) (1) The aggregate value of all agricultural loans insured by the Corporation and outstanding at any one time may not exceed 20 times the total value of money, investments, properties, and other assets of the Corporation.

(2) Notwithstanding paragraph (1) of this subsection, the aggregate value of agricultural loans insured and outstanding may be further expanded by use of federal, State, or private loan insurance, reinsurance, or guarantees of which the Corporation is or shall become the beneficiary.

§10–521.

The Corporation may:

(1) study agricultural conditions and needs in the State, needs relating to the promotion of agricultural industries, and ways of meeting those needs;

(2) make the studies available to the public and to agricultural industries; and

(3) engage in research or disseminate information on agriculture and agricultural marketing and promotion.

§10–522.

(a) (1) Each unit in the Executive Branch of State government and each institution of higher education in the State may work with the Corporation on matters relating to the unit.

(2) Each political subdivision and regional planning and development council in the State may work with the Corporation on matters relating to the political subdivision or entity.

(b) The following units may provide technical and other support to the Corporation:

(1) the Department;

(2) the Department of Agriculture;

(3) the Department of Natural Resources;

(4) the Maryland Economic Development Corporation;

(5) the Maryland Food Center Authority;

(6) the Maryland Technology Development Corporation;

(7) the Rural Maryland Council; and

(8) the Maryland Cooperative Extension Service.

§10–523.

(a) (1) The Corporation may receive annual funding through an appropriation in the State budget.

(2) The Corporation may also receive money for projects included in the budgets of State units.

(3) (i) To assist the Corporation in complying with subsection (c) of this section, the Governor shall include each year in the State budget bill an appropriation to the Corporation for rural business development and assistance as follows:

1. for fiscal year 2015, $2,875,000; and

2. for each of the fiscal years 2016 through 2024, $2,875,000.

(ii) In addition to any money provided under subparagraph (i) of this paragraph, the Governor may include each year in the State budget bill an appropriation to the Corporation in an amount not exceeding $5,000,000 for rural land acquisition and easement programs, including programs to assist young and beginning farmers.

(b) All unexpended and unencumbered money appropriated to the Corporation shall remain with the Corporation for future use.

(c) The Corporation shall conduct its financial affairs so that, by fiscal year 2025, it is self–sufficient and in no further need of general operating support by the State.

(d) The Corporation may use up to 3% of the money received under § 13–306(a)(3)(ii)2 of the Tax – Property Article for administrative costs associated with the Next Generation Farmland Acquisition Program.

§10–524.

(a) A debt, claim, obligation, or liability of the Corporation, whenever incurred, is the debt, claim, obligation, or liability of the Corporation only and not of the State, a unit or instrumentality of the State, or a State officer or employee.

(b) A debt, claim, obligation, or liability of the Corporation may not be considered a debt of the State or a pledge of its credit.

§10–525.

The Corporation is exempt from State and local taxes.

§10–526.

The books and records of the Corporation are subject to audit:

(1) by the State at its discretion; and

(2) each year by an independent auditor approved by the Office of Legislative Audits.

§10–527.

(a) On or before October 1 of each year, the Corporation shall report on its status to the Governor, the Maryland Agricultural Commission, the Maryland Economic Development Commission, and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

(b) The report shall include a complete operating and financial statement and a summary of the Corporation's activities during the preceding fiscal year.

§10–601.

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

(b) "Authority" means the Maryland Stadium Authority.

(c) "Authority affiliate" means a for–profit or not–for–profit entity in which the Authority directly or indirectly owns any membership interest or equity interest.

(d) "Baltimore City" means, as the context requires:

(1) the geographic area of the City of Baltimore; or

(2) the Mayor and City Council of Baltimore.

(e) "Baltimore City Board of School Commissioners" means the Baltimore City Board of School Commissioners of the Baltimore City Public School System established under § 3–108.1 of the Education Article.

(f) "Baltimore City public school facility" means a property primarily used for educational instruction that:

(1) is held in trust by Baltimore City or the Baltimore City Board of School Commissioners for the benefit of the Baltimore City Public School System; and

(2) is designated for improvement under the memorandum of

understanding between the Authority, Baltimore City, the Baltimore City Board of School Commissioners, and the Interagency Committee on School Construction entered into in accordance with § 10–646 of this subtitle.

(g) "Baltimore City Public School Construction Facilities Fund" means the Baltimore City Public School Construction Facilities Fund established under § 10–657 of this subtitle.

(h) "Baltimore City Public School Construction Financing Fund" means the Baltimore City Public School Construction Financing Fund established under § 10–656 of this subtitle.

(i) "Baltimore City public school site" means the site of any Baltimore City public school facility.

(j) (1) "Baltimore Convention facility" means:

(i) a convention center, trade show facility, meeting hall, or other structure in Baltimore City used to hold conventions, trade shows, meetings, displays, or similar events; and

(ii) offices, parking lots or garages, access roads, hotels, restaurants, railroad sidings, and any other structures, improvements, equipment, furnishings, or other property functionally related to the facilities described in item (i) of this paragraph.

(2) "Baltimore Convention facility" includes the following, if used, useful, or usable in the future as, or in connection with, a Baltimore Convention facility:

(i) land, structures, equipment, property, property rights, property appurtenances, rights–of–way, franchises, easements, and other interests in land;

(ii) land and facilities that are functionally related to a Baltimore Convention facility; and

(iii) patents, licenses, and other rights necessary or useful to construct or operate a Baltimore Convention facility.

(k) "Baltimore Convention Fund" means the Baltimore Convention Financing Fund established under § 10–651 of this subtitle.

(l) "Baltimore Convention site" means the site of the Baltimore Convention Center located in Baltimore City at the address generally known as 1 West Pratt Street, identified in the State Department of Assessments and Taxation Real Property database as tax identification number Ward 22, Section 01, Block 0682, Lots 001 and 001A.

(m) "Bond" includes a note, an interim certificate, refunding bond, and any other

evidence of obligation issued under this subtitle.

(n) "Camden Yards" means the area comprising approximately 85 acres in Baltimore City bounded by Camden Street on the north, Russell Street on the west, Ostend Street on the south, and Howard Street and Interstate 395 on the east.

(o) "Camden Yards Fund" means the Camden Yards Financing Fund established under § 10–652 of this subtitle.

(p) "Convention facility" means the Baltimore Convention facility, the Montgomery County Conference facility, and the Ocean City Convention facility.

(q) "Facility" means:

(1) a structure or other improvement developed at Camden Yards;

(2) a convention facility;

(3) the Hippodrome Performing Arts facility;

(4) a sports facility; or

(5) a Baltimore City public school facility.

(r) "Governmental unit" means a county, a municipal corporation, a unit of State or local government, or any other public body created under State or local law.

(s) (1) "Hippodrome Performing Arts facility" means the performing arts center facility located at the Hippodrome Performing Arts site.

(2) "Hippodrome Performing Arts facility" includes, at the Hippodrome Performing Arts site:

(i) the Hippodrome theater and offices;

(ii) food service facilities; and

(iii) any other functionally related property, structures, improvements, furnishings, or equipment.

(t) "Hippodrome Performing Arts Fund" means the Hippodrome Performing Arts Financing Fund established under § 10–653 of this subtitle.

(u) "Hippodrome Performing Arts site" means the site of the France–Merrick Performing Arts Center located in Baltimore City at the address generally known as:

(1) 12 North Eutaw Street Building, identified in the State Department of Assessments and Taxation Real Property database as tax identification number Ward 04, Section 08, Block 0631, Lot 001; and

(2) 401 West Fayette Street, identified in the State Department of Assessments and Taxation Real Property database as tax identification number Ward 04, Section 08, Block 0631, Lot 013.

(v) "Improve" means to add, alter, construct, equip, expand, extend, improve, install, reconstruct, rehabilitate, remodel, or repair.

(w) "Improvement" means addition, alteration, construction, equipping, expansion, extension, improvement, installation, reconstruction, rehabilitation, remodeling, or repair.

(x) "Montgomery County" includes the Montgomery County Revenue Authority.

(y) (1) "Montgomery County Conference facility" means the Conference Center facility located at the Montgomery County Conference site used for conferences, trade shows, meetings, displays, or similar events.

(2) "Montgomery County Conference facility" includes, at the Montgomery County Conference site, offices, parking lots and garages, access roads, food service facilities, and other functionally related property, structures, improvements, furnishings, or equipment.

(3) "Montgomery County Conference facility" does not include the privately owned hotel adjacent to the Montgomery County Conference Center.

(z) "Montgomery County Conference Fund" means the Montgomery County Conference Financing Fund established under § 10–654 of this subtitle.

(aa) "Montgomery County Conference site" means the site of the Montgomery County Conference Center located in Rockville at the address generally known as 5701 Marinelli Road, identified in the State Department of Assessments and Taxation Real Property database as tax identification number District 04, Account Number 03392987.

(bb) (1) "Ocean City Convention facility" means:

(i) a convention center, trade show facility, meeting hall, or other structure in Ocean City used to hold conventions, trade shows, meetings, displays, or similar events; and

(ii) offices, parking lots or garages, access roads, food service facilities, and any other structures, improvements, equipment, furnishings, or other property functionally related to the facilities described in item (i) of this paragraph.

(2) "Ocean City Convention facility" includes the following, if used, useful, or usable in the future as, or in connection with, an Ocean City Convention facility:

(i) land, structures, equipment, property, property rights, property appurtenances, rights–of–way, franchises, easements, and other interests in land;

(ii) land and facilities that are functionally related to an Ocean City Convention facility; and

(iii) patents, licenses, and other rights necessary or useful to construct or operate an Ocean City Convention facility.

(cc) "Ocean City Convention Fund" means the Ocean City Convention Financing Fund established under § 10–655 of this subtitle.

(dd) "Ocean City Convention site" means the site of the Ocean City Convention Center located in Ocean City at the address generally known as 4001 Coastal Highway, identified in the State Department of Assessments and Taxation Real Property database as tax identification numbers District 10, Account Number 055237; District 10, Account Number 066301; District 10, Account Number 247942; and District 10, Account Number 280346.

(ee) (1) "Sports facility" means:

(i) a stadium primarily for professional football, major league professional baseball, or both, in the Baltimore metropolitan region, as defined in § 13–301 of this article;

(ii) practice fields or other areas where professional football or major league professional baseball teams practice or perform; and

(iii) offices for professional football and major league professional baseball teams or franchises.

(2) "Sports facility" includes parking lots, garages, and any other property adjacent and directly related to an item listed in paragraph (1) of this subsection.

(ff) "Tax supported debt" has the meaning stated in § 8–104 of the State Finance and Procurement Article.

§10–604.

(a) There is a Maryland Stadium Authority.

(b) (1) The Authority is a body politic and corporate and is an instrumentality of the State.

(2) The Authority is an independent unit in the Executive Branch of State government.

(3) The exercise by the Authority of its powers under this subtitle is an essential governmental function.

(c) The Authority is a public body under Title 5, Subtitle 4 of this article, the

Maryland Industrial Development Financing Authority Act, for purposes of applying for, receiving, and making agreements in connection with:

(1) a loan;

(2) a grant;

(3) insurance; or

(4) any other form of financial assistance.

§10–605.

(a) (1) The Authority consists of the following seven members:

(i) six members appointed by the Governor, with the advice and consent of the Senate; and

(ii) one member appointed by the Mayor of Baltimore City, with the advice and consent of the Senate.

(2) In making appointments, the Governor shall ensure that the geographic areas of the State are represented.

(b) (1) The term of a member is 4 years.

(2) The terms of members are staggered as required by the terms provided for members on October 1, 2008.

(3) At the end of a term, a member continues to serve until a successor is appointed and qualifies.

(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(c) A member may be removed for incompetence, misconduct, or failure to perform the duties of the position by:

(1) the Governor, if appointed by the Governor; or

(2) the Mayor, if appointed by the Mayor.

§10–606.

The Governor shall designate a chair from among the members of the Authority.

§10–607.

(a) The Authority shall determine the times and places of its meetings.

(b) (1) Four members of the Authority are a quorum.

(2) Action by the Authority requires the affirmative vote of at least four members.

(c) A member of the Authority:

(1) may not receive compensation as a member of the Authority; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

§10–608.

The Authority is exempt:

(1) from taxation by the State and local government;

(2) except as provided in Title 12, Subtitle 4 and Title 14, Subtitle 3 of the State Finance and Procurement Article, from Division II of the State Finance and Procurement Article; and

(3) from the provisions of Division I of the State Personnel and Pensions Article that govern the State Personnel Management System.

§10–609.

(a) With the approval of the Governor, the Authority shall appoint an Executive Director.

(b) Subject to the concurrence of the Governor, the Executive Director serves at the pleasure of the Authority.

(c) The Executive Director is the chief administrative officer and secretary of the Authority and shall:

(1) direct and supervise the administrative affairs and activities of the Authority, in accordance with its regulations and policies;

(2) attend the meetings of the Authority;

(3) keep minutes of all proceedings of the Authority;

(4) approve all accounts for salaries, per diem payments, and all allowable expenses of the Authority, its employees, and its consultants;

(5) approve all expenses incidental to the operation of the Authority;

(6) report and make recommendations to the Authority on the merits and

status of any proposed facility; and

(7) perform the other duties that the Authority requires to carry out this subtitle.

§10–610.

The Authority may employ or retain, either as employees or as independent contractors, consultants, engineers, architects, accountants, attorneys, financial experts, construction experts and personnel, superintendents, managers and other professional personnel, personnel, and agents as the Authority considers necessary, and set their compensation.

§10–613.

(a) The Authority may:

(1) adopt a seal;

(2) sue and be sued;

(3) adopt bylaws and policies;

(4) adopt regulations to carry out this subtitle in accordance with the Administrative Procedure Act;

(5) have an office at the place the Authority designates;

(6) appoint advisory committees composed of local officials, business interests, representatives of the convention, hotel, and tourism business, and other experts as appropriate;

(7) subject to § 10-620 of this subtitle, acquire, lease as landlord or tenant, hold, encumber, or dispose of property;

(8) enter into contracts and execute the instruments necessary or convenient to carry out this subtitle to accomplish its purposes;

(9) determine the locations of, develop, establish, acquire, own, improve, operate, maintain, and contribute to the maintenance and operating costs of facilities as necessary to accomplish its purposes;

(10) regulate the use and operation of facilities developed under this subtitle;

(11) fix and collect rents, fees, and other charges for the use of facilities or for services rendered in connection with the facilities;

(12) subject to Parts IV and V of this subtitle, issue bonds;

(13) exercise the corporate powers of Maryland corporations under the Maryland General Corporation Law;

(14) with respect to site acquisition, construction, and development of the Hippodrome Performing Arts facility, establish and participate in Authority affiliates;

(15) impose the admissions and amusement tax authorized under § 4-102 of the Tax - General Article; and

(16) do all things necessary or convenient to carry out the powers granted by this subtitle.

(b) The Authority may review and make recommendations on proposed convention center facilities and the Hippodrome Performing Arts facility, including the expansion and enhancement of the Baltimore City Convention Center and the Ocean City Convention Center and the development and construction of the Montgomery County Conference Center and the Hippodrome Performing Arts Center, with respect to location, purpose, design, function, capacity, parking, costs, funding mechanisms, and revenue alternatives, with specific recommendations on:

(1) the level of support from the private sector;

(2) the type of support from the private sector;

(3) special taxing sources;

(4) projected revenues;

(5) bonding authority and the source of debt service; and

(6) the fiscal impact on the State of any revenue alternatives.

§10–614.

Subject to the approval of the Board of Public Works, the Authority may:

(1) borrow money from any source for any corporate purpose, including working capital for its operations, reserve funds, or interest;

(2) mortgage, pledge, or otherwise encumber the property or funds of the Authority;

(3) contract for the services of any person in connection with any financing, including financial institutions, issuers of letters of credit, or insurers; and

(4) receive and accept from any public or private source contributions, gifts, or grants of money or property and invest the money or property as a whole or in part.

§10–615.

(a) An Authority sports facility may not be used to conduct professional basketball games.

(b) The Authority may not construct or enter into a contract to construct a sports facility other than at Camden Yards unless specifically authorized by an enactment of the General Assembly.

§10–616.

(a) Subject to the approval of the Board of Public Works and the Legislative Policy Committee, the Authority may develop any portion of Camden Yards to generate incidental revenues for the benefit of the Authority.

(b) The authority granted under subsection (a) of this section includes the power to develop, establish, acquire, own, lease, improve, operate as landlord, regulate, maintain, sell, transfer, or otherwise dispose of any portion of Camden Yards.

(c) Except for its condemnation power, the Authority may exercise all of its powers under this subtitle with respect to the development of portions of Camden Yards.

§10–617.

(a) Notwithstanding any other law, a dome may be built or added on a stadium at Camden Yards only if specifically authorized by an enactment of the General Assembly.

(b) During any period in which major league professional baseball games are played at the baseball stadium at Camden Yards, a major league professional baseball team may not play major league professional baseball games on a regular basis at another professional sports stadium in the State that:

(1) is constructed in part with State funds; or

(2) benefits from or is supported by State-funded transportation or other infrastructure projects developed due to the construction of the stadium.

§10–618.

(a) Contracts to acquire any facility site, to construct the facility, or for construction on the facility site require the prior approval of the Board of Public Works.

(b) The Authority may:

(1) acquire by any of the means specified in § 10-620(a) of this subtitle:

(i) a site at Camden Yards for a facility;

(ii) a Baltimore Convention site or an interest in the site;

(iii) an Ocean City Convention site or an interest in the site;

(iv) a Montgomery County Conference site or an interest in the site; and

(v) a Hippodrome Performing Arts site or an interest in the site; and

(2) construct or enter into a contract to construct a facility on a site it acquires under this subsection.

§10–619.

(a) Subject to the prior approval of the Board of Public Works, the Authority may:

(1) hold an ownership interest in or operate a professional football or major league professional baseball team or team franchise for up to 2 years during a transition to private ownership; and

(2) continue to hold, but not operate, an ownership interest in a professional football or major league professional baseball team during a transition of the team without a time limitation.

(b) If necessary, the Board of Public Works may renew its approval under subsection (a) of this section each year.

§10–620.

(a) (1) Subject to annual appropriations and this subtitle, the Authority may acquire in its own name, by gift, purchase, or condemnation, any property or interest in property necessary or convenient to construct, improve, or operate a facility.

(2) When acquiring in its own name any property under paragraph (1) of this subsection, the Authority shall first attempt to acquire the property by negotiation and purchase.

(3) If the Authority is not able to acquire property by negotiation, the Authority may condemn private property under subsection (b) of this section.

(4) If the Authority determines that acting under paragraphs (2) and (3) of this subsection would be inappropriate, the Authority may condemn private property under subsection (c) of this section.

(b) (1) The exercise of authority under this subsection is subject to subsection (a) of this section, the prior approval of the Board of Public Works, and review by the

Legislative Policy Committee.

(2) The Authority may condemn any private property for any purpose of the Authority:

(i) in accordance with Title 12 of the Real Property Article; and

(ii) only in Camden Yards and at the Hippodrome Performing Arts site.

(c) (1) The exercise of authority under this subsection is subject to subsection (a) of this section, the prior approval of the Board of Public Works, and review by the Legislative Policy Committee.

(2) The Authority may exercise quick take condemnation under Article III, § 40A of the Maryland Constitution to acquire in Baltimore City for the State private property for any purpose of the Authority:

(i) in accordance with §§ 8–334 through 8–339 of the Transportation Article and Title 12 of the Real Property Article; and

(ii) only in Camden Yards and at the Hippodrome Performing Arts site.

(d) (1) The exercise of authority under this subsection is subject to the prior approval of the Board of Public Works.

(2) On request of the Authority, the State, a unit of the State, or a political subdivision may lease, lend, grant, or otherwise convey to the Authority, property, including property devoted to public use, as necessary or convenient for the purposes of this subtitle.

(3) The State may lease or sublease a facility, or an interest in a facility, from or to the Authority, whether or not constructed or usable.

(4) Lease payments to the Authority appropriated by the State shall be transferred to:

(i) the Baltimore Convention Fund if appropriated for a Baltimore Convention facility;

(ii) the Camden Yards Fund if appropriated for a sports facility or other facility at Camden Yards;

(iii) the Hippodrome Performing Arts Fund if appropriated for a Hippodrome Performing Arts facility;

(iv) the Montgomery County Conference Fund if appropriated for a

Montgomery County Conference facility; or

(v) the Ocean City Convention Fund if appropriated for an Ocean City Convention facility.

(e) (1) This subsection does not apply to the Camden Yards site, Baltimore Convention site, Ocean City Convention site, Hippodrome Performing Arts site, or any Baltimore City public school site.

(2) The Authority and any Authority affiliate is subject to applicable planning, zoning, and development regulations to the same extent as a private commercial or industrial enterprise.

(f) The Authority shall:

(1) in cooperation with Baltimore City, appoint a task force that includes residents and business and institutional representatives from the area adjacent to Camden Yards to review the schematic, preliminary, and final plans for facilities at Camden Yards;

(2) submit schematic plans for development of Camden Yards and the Baltimore Convention site to Baltimore City for review and comment before acquiring any property;

(3) with respect to Camden Yards, the Baltimore Convention facility, and the Hippodrome Performing Arts facility, submit preliminary and final plans to Baltimore City for review and comment;

(4) with respect to Camden Yards, the Baltimore Convention facility, and the Hippodrome Performing Arts facility, participate in the design review processes of Baltimore City; and

(5) with respect to a Baltimore City public school facility, perform the actions required under §§ 10–645, 10–646, 10–656, and 10–657 of this subtitle.

(g) This section does not affect the right of the Authority to acquire an option or institute a condemnation proceeding for later acquisition of the property once the approval required by this section is obtained.

§10–621.

(a) Except as provided in subsection (b) of this section, proceeds derived from the sale of permanent seat licenses at a professional sports stadium constructed in the State by the Authority for a professional sports team that relocates from another jurisdiction to the State may be used only for:

(1) amounts that are owed to a national sports league or association as a result of the costs of the relocation of a professional sports team from another

jurisdiction to the State;

(2) the design and construction costs of necessary training facilities;

(3) the reasonable costs of moving and relocation, including:

(i) the physical movement of property;

(ii) land and air travel costs;

(iii) employee severance costs; and

(iv) employee relocation costs;

(4) amounts owed to the other jurisdiction and other interested parties claiming rights because of the relocation of the professional sports team to the State, including any amounts paid to the other jurisdiction or interested parties to resolve the claims;

(5) the repayment of bonds or other indebtedness incurred by or for the benefit of the team in connection with facilities that the relocated professional sports team used or occupied in the other jurisdiction;

(6) payments to the Authority; or

(7) other reasonable costs and expenses incurred or losses sustained because of the relocation.

(b) Proceeds derived from the sale of personal seat licenses that exceed the costs described in subsection (a) of this section:

(1) may not accrue directly to the benefit of an individual or private entity; and

(2) shall be held by the Authority for stadium construction and maintenance of the professional sports stadium in the State the relocated professional sports team uses.

§10–622.

(a) (1) Subject to subsection (b) of this section, the Authority may prepare studies and may design and construct projects for units of the State, the University of Maryland Medical System, and political subdivisions.

(2) The studies may include site studies, architectural programs, budget estimates, value engineering, and project schedules.

(b) Before beginning work under subsection (a) of this section on behalf of a unit of the State, the University of Maryland Medical System, or a political subdivision, the

Authority shall:

(1) notify the budget committees of the General Assembly in writing of the proposed project and its estimated costs and funding sources; and

(2) allow the budget committees 30 days to review and comment on the proposed work.

(c) The Authority may enter into contracts, retain consultants, and make recommendations relating to project activities under this section.

(d) (1) For project activities under this section, the Authority shall use money that is:

(i) provided by the unit of the State, the University of Maryland Medical System, or local government; or

(ii) otherwise appropriated for the particular purpose.

(2) In each fiscal year the Authority:

(i) may use up to $500,000 of its available nonbudgeted money for feasibility studies that are approved by the budget committees; but

(ii) may not use this money for construction.

§10–623.

The Authority shall:

(1) submit the operating and capital program budget of the Authority each year to the Department of Budget and Management for inclusion in the State budget book for informational purposes; and

(2) keep records that are consistent with sound business practices and accounting records using generally accepted accounting principles.

§10–624.

The Authority shall:

(1) have an independent certified public accountant audit the accounts and transactions of the Authority at the end of each fiscal year; and

(2) be subject, at any reasonable time, to audit and examination of the accounts and transactions of the Authority by the Office of Legislative Audits of the Department of Legislative Services.

§10–625.

The Authority shall submit:

(1) an annual detailed report of the activities and financial status of the Authority to the Governor, and, in accordance with § 2-1246 of the State Government Article, the General Assembly; and

(2) annual reports on the additional tax revenues generated by each of the following facilities, prepared in cooperation with the Office of the Comptroller and the Department of Budget and Management:

(i) the Baltimore Convention facility;

(ii) the Hippodrome Performing Arts facility;

(iii) the Montgomery County Conference facility; and

(iv) the Ocean City Convention facility.

§10–628.

(a) Except as provided in subsections (b) and (c) of this section and subject to the prior approval of the Board of Public Works, the Authority may issue bonds at any time for any corporate purpose of the Authority, including the establishment of reserves and the payment of interest.

(b) (1) Unless authorized by the General Assembly, the Board of Public Works may not approve an issuance by the Authority of bonds for sports facilities at Camden Yards, whether taxable or tax exempt, that constitute tax supported debt if, after the issuance, there would be outstanding and unpaid $235,000,000 face amount of bonds for the purpose of financing the site acquisition and preparation, relocation, demolition and removal, construction and related expenses for construction management, professional fees, and contingencies of baseball and football stadiums or a multiuse stadium.

(2) (i) Subject to subparagraph (ii) of this paragraph, the limits on the issuance of bonds of the Authority, whether taxable or tax exempt, that constitute tax supported debt for the following purposes with respect to sports facilities at Camden Yards are:

1. $85,000,000 for site acquisition and preparation, relocation, demolition and removal, and construction and related expenses for construction management, professional fees, and contingencies for Camden Yards;

2. $70,000,000 for site work, construction and related expenses for construction management, professional fees, and contingencies of a baseball stadium;

3. $80,000,000 for site work, construction and related expenses for construction management, professional fees, and contingencies of a football stadium; and

4. $195,000,000 for site acquisition and preparation, relocation, demolition and removal, and construction and related expenses for construction management, professional fees, and contingencies of a multiuse stadium.

(ii) The Authority may exceed the monetary limits on bond issuances provided for in subparagraph (i) of this paragraph if the Authority:

1. obtains the authorization of the Board of Public Works; and

2. notifies the Legislative Policy Committee with accompanying justification.

(c) (1) Unless authorized by the General Assembly, the Board of Public Works may not approve an issuance by the Authority of bonds, whether taxable or tax exempt, that constitute tax supported debt or nontax supported debt if, after issuance, there would be outstanding and unpaid more than the following face amounts of the bonds for the purpose of financing acquisition, construction, renovation, and related expenses for construction management, professional fees, and contingencies in connection with:

(i) the Baltimore Convention facility – $55,000,000;

(ii) the Hippodrome Performing Arts facility – $20,250,000;

(iii) the Montgomery County Conference facility – $23,185,000;

(iv) the Ocean City Convention facility – $17,340,000; and

(v) Baltimore City public school facilities – $1,100,000,000.

(2) (i) The limitation under paragraph (1)(i) of this subsection applies to the aggregate principal amount of bonds outstanding as of June 30 of any year.

(ii) Refunded bonds may not be included in the determination of an outstanding aggregate amount under this paragraph.

§10–629.

(a) The Authority shall pay the bonds issued in accordance with this part only from the property or receipts of the Authority.

(b) Property and receipts of the Authority include:

(1) taxes, fees, charges, or other revenues payable to the Authority;

(2) payments in accordance with letters of credit, lines of credit, insurance

policies, or purchase agreements;

(3) investment earnings from funds or accounts maintained in accordance with a bond resolution or trust agreement;

(4) the proceeds of refunding bonds; and

(5) any other source authorized by law.

§10–630.

(a) The Authority shall authorize the issuance of bonds by resolution.

(b) (1) The bonds may be secured by a trust agreement by and between the Authority and a corporate trustee.

(2) A corporate trustee may be any trust company or bank that has the powers of a trust company in or outside the State.

(c) The bonds shall:

(1) be issued at, above, or below par value, and for cash or other valuable consideration;

(2) mature on a date or dates not exceeding 40 years from their respective dates of issue, whether or not the bonds are serial or term bonds;

(3) bear interest at the fixed rate or the variable rate provided in the resolution or trust agreement;

(4) be payable at a time or times and be in the denominations and form, either coupon or registered, as provided in the resolution or trust agreement;

(5) be subject to the registration provisions, have the privileges as to conversion, and be subject to the provisions for the replacement of mutilated, lost, or destroyed bonds as provided in the resolution or trust agreement;

(6) be a "security" within the meaning of § 8-102 of the Commercial Law Article, whether or not each bond is one of a class or series or is divisible by its terms into a class or series of instruments;

(7) be negotiable for all purposes although payable from a limited source, notwithstanding any other law;

(8) be payable in lawful money of the United States at a designated place;

(9) be subject to the terms of purchase, payment, redemption, refunding, or refinancing as provided in the resolution or trust agreement;

(10) subject to subsection (d) of this section, be executed by the manual or facsimile signatures of the officers of the Authority designated by the Authority;

(11) be sold in the manner and on the terms determined by the Authority, including competitive or negotiated sale; and

(12) are exempt from §§ 8-206 and 8-208 of the State Finance and Procurement Article.

(d) An officer's signature or facsimile signature on a bond of the Authority remains valid at delivery even if the officer leaves office before the bond is delivered.

§10–631.

A resolution of the Authority or a trust agreement between the Authority and a corporate trustee may contain provisions that shall be part of the contract between the Authority and the holders of the bonds as to:

(1) (i) the pledging, assigning, or directing the use, investment, or disposition of receipts of the Authority or proceeds or benefits of any contract; and

(ii) the conveying or otherwise securing of any property or property rights;

(2) debt service reserves, capitalized interest accounts, cost of issuance accounts, sinking funds, and the setting aside of deposits, and the regulation, investment, and disposition of the funds specified in this item;

(3) limitations on the use and investment of bond proceeds;

(4) restrictions on the investment of revenues or bond proceeds to government obligations the principal and interest of which are unconditionally guaranteed by the United States of America;

(5) limitations and conditions relating to the issuance of additional bonds, which may rank on a parity with, or be subordinate or superior to, other bonds;

(6) the refunding or refinancing of outstanding bonds;

(7) (i) the procedures by which the terms of a contract with bondholders may be amended; and

(ii) the amount of bonds the holders of which are needed to consent to an amendment under item (i) of this item and the manner of that consent;

(8) describing Authority defaults and the rights and remedies of bondholders;

(9) providing for guarantees, pledges of property, letters of credit, or other

security, or insurance for the benefit of bondholders; and

(10) any other matter relating to the bonds that the Authority determines appropriate.

§10–632.

Neither a member of the Authority nor any other person executing the bonds is subject to any personal liability because of the issuance of the bonds.

§10–633.

The Authority may enter into agreements for the purpose of enhancing the marketability of, or to provide security for, its bonds.

§10–634.

(a) A pledge by the Authority of revenues or money deposited in the Baltimore City Public School Construction Financing Fund as security for an issue of bonds is valid and binding from when the pledge is made.

(b) (1) The revenues or money deposited in the Baltimore City Public School Construction Financing Fund that are pledged are immediately subject to the lien of the pledge without any physical delivery or further act.

(2) The lien of any pledge is valid and binding against any person having a claim against the Authority in tort, contract, or otherwise, regardless of whether the person has notice of the lien.

(c) Notwithstanding any other provision of law, in order to perfect a lien on pledged revenues or money deposited in the Baltimore City Public School Construction Financing Fund against a third person, it is not necessary to file or record any document adopted or entered into by the Authority in any public record other than in the records of the Authority.

§10–635.

Except to the extent restricted by an applicable resolution or trust agreement, a bondholder or a trustee acting under a trust agreement entered into under this subtitle, may, by any suitable form of legal proceedings, protect and enforce any rights granted under the laws of the State or by any applicable resolution or trust agreement.

§10–636.

(a) Subject to the prior approval of the Board of Public Works, the Authority may issue bonds to refund any of its outstanding bonds, including the payment of:

(1) any redemption premium; and

(2) any interest accrued or that will accrue to the earliest or any subsequent date of redemption, purchase, or maturity of the bonds.

(b) (1) For the public purpose of achieving a savings in the effective costs of debt service or alleviating impending or actual default, the Authority may issue refunding bonds directly or through a debt restructuring.

(2) The bonds authorized by this subsection may be issued in one or more series and in an amount in excess of that of the bonds to be refunded.

§10–639.

This part governs the closing on the sale of bonds and other borrowing of money by the Authority in amounts exceeding $35,000 a year to finance any segment of a facility.

§10–640.

(a) Except as allowed by § 10-639 of this subtitle, to finance site acquisition and construction, the Authority shall comply with this section.

(b) The Authority shall provide to the fiscal committees of the General Assembly, at least 45 days before seeking approval of the Board of Public Works for each bond issue or other borrowing, a comprehensive financing plan for the relevant segment of the facility, including the effect of the financing plan on financing options for other segments of the facility.

(c) The Authority shall obtain the approval of the Board of Public Works of the proposed bond issue and the financing plan.

(d) The Authority shall secure a lease or other written agreement with Baltimore City, as approved by the Board of Public Works, under which:

(1) Baltimore City agrees to pay $50,000,000 for the capital costs of the expansion of the Baltimore Convention Center not later than the date of the Authority's bond issuance as authorized under § 10-628 of this subtitle;

(2) Baltimore City and the Authority each own a 50% leasehold interest as tenants in common in the improvements comprising the existing Baltimore Convention Center and the Baltimore Convention Center expansion for the duration of any bonds issued as authorized under § 10-628 of this subtitle; and

(3) Baltimore City and the Authority agree not to sell, assign, mortgage, pledge, or encumber the Baltimore Convention facility, or any leasehold interest in the facility, without the prior consent of the other, except for liens in favor of their respective bondholders.

(e) The Authority shall secure a deed, lease, or written agreement with Baltimore City, as approved by the Board of Public Works, authorizing the Authority

to:

(1) design and construct, or contract for the design and construction of, the Baltimore Convention facility; and

(2) pledge the Baltimore Convention facility and the Baltimore Convention site or the leasehold interest in the facility as security for the Authority's bonds.

(f) The Authority shall secure a written agreement with Baltimore City, as approved by the Board of Public Works:

(1) in which Baltimore City agrees to:

(i) operate the Baltimore Convention facility in a manner that maximizes the facility's economic return; and

(ii) maintain and repair the facility so as to keep it in first class operating condition; and

(2) that includes provisions that:

(i) protect the respective investment of the Authority, the State, and Baltimore City in the Baltimore Convention facility;

(ii) require:

1. for the period beginning on the completion of the expanded and renovated Baltimore Convention facility and ending on December 31, 2019:

A. the Authority to contribute two–thirds and Baltimore City to contribute one–third to annual operating deficits; and

B. the Authority and Baltimore City each to contribute $200,000 each year to a capital improvement reserve fund; and

2. Baltimore City to be solely responsible for all operating deficits and capital improvements:

A. before the completion of the expanded and renovated Baltimore Convention facility; and

B. after December 31, 2019; and

(iii) provide for remedies on default, including the right of the Authority or the State, if a material default by Baltimore City is not corrected after a reasonable notice and cure period, to:

1. immediately assume responsibility for maintenance and

repairs of the Baltimore Convention facility; and

2. offset the costs of the maintenance and repairs against other amounts owed by the Authority or the State to Baltimore City, whether under the operating agreement with Baltimore City or otherwise.

§10–641.

(a) Except as allowed by § 10-639 of this subtitle, to finance site acquisition and construction of any segment of a Hippodrome Performing Arts facility, the Authority shall comply with this section.

(b) The Authority shall provide certification to the Legislative Policy Committee and the Board of Public Works, supported by a detailed report, that the Authority has attempted to maximize private investment in the Hippodrome Performing Arts facility proposed to be financed.

(c) The Authority shall provide to the fiscal committees of the General Assembly, at least 45 days before seeking approval of the Board of Public Works for each bond issue or other borrowing, a comprehensive financing plan for the relevant segment of the facility, including the effect of the financing plan on financing options for other segments of the facility and anticipated revenues from private investment.

(d) The Authority shall obtain the approval of the Board of Public Works of the proposed bond issue and the financing plan.

(e) The Authority shall secure one or more written agreements, as approved by the Board of Public Works:

(1) establishing commitments for payments to the Authority of amounts that shall be used by the Authority to fund $60,000,000 of total acquisition and capital costs of construction of the Hippodrome Performing Arts facility; and

(2) under which:

(i) Baltimore City agrees to pay $6,000,000:

1. $2,000,000 of which shall be deposited to the Hippodrome Performing Arts Fund by July 1, 2000; and

2. $4,000,000 of which shall be deposited to the Hippodrome Performing Arts Fund:

A. by not later than the date of the Authority's bond issuance as authorized under § 10-628 of this subtitle; or

B. in $2,000,000 increments, in each of the next 2 succeeding years, from the proceeds of bond issuances that have received voter approval by not

later than the date of the Authority's bond issuance as authorized under § 10-628 of this subtitle;

(ii) the State has deposited to the Hippodrome Performing Arts Fund an aggregate amount of $16,500,000 or a lesser amount as is available to the Authority and not subject to any budget contingencies;

(iii) the Authority agrees to:

1. issue bonds as authorized under § 10-628 of this subtitle; and

2. use $17,400,000 of the proceeds from the sale of the bonds in the manner and for the purposes described in this section; and

(iv) one or more private entities, which may include an Authority affiliate, as private funding sources:

1. deposit to the Hippodrome Performing Arts Fund, not later than the date of the Authority's bond issuance as authorized under § 10-628 of this subtitle, at least $8,000,000;

2. agree, not later than the date of the Authority's bond issuance as authorized under § 10-628 of this subtitle, to pay:

A. an additional $12,100,000; and

B. all actual acquisition and capital costs of construction of the Hippodrome Performing Arts facility to the extent the costs exceeded $60,000,000; and

3. agree that any savings from acquisition or capital costs on completion of the Hippodrome Performing Arts facility shall be paid to the Authority.

(f) The Authority shall secure a written agreement with the University System of Maryland, as approved by the Board of Public Works, under which the University System of Maryland agrees to transfer to the Authority fee title to the property known as the Hippodrome Theatre, 12 North Eutaw Street, described in the Baltimore City land records in Liber S.E.B. 6259, Folio 38.

(g) The Authority shall secure a written agreement with an Authority affiliate, as approved by the Board of Public Works, by which the Authority affiliate agrees:

(1) to market, promote, and operate or contract, subject to the approval of the Authority, for the marketing, promotion, and operation of the Hippodrome Performing Arts facility;

(2) to maintain and repair or contract, subject to the approval of the Authority, for the maintenance and repair of the Hippodrome Performing Arts facility

so as to keep the Hippodrome Performing Arts facility in first class operating condition;

(3) to pay to the Authority for the duration of any bonds issued as authorized under § 10-628 of this subtitle an amount equal to $2 per ticket sold for admission to the Hippodrome Performing Arts facility; and

(4) to be solely responsible for all expenditures relating to the operation, maintenance, and repair of the Hippodrome Performing Arts facility that may be incurred, including the amount by which expenditures exceed revenues.

§10–642.

(a) Except as allowed by § 10-639 of this subtitle, to finance site acquisition and construction of any segment of a Montgomery County Conference facility, the Authority shall comply with this section.

(b) The Authority shall provide to the fiscal committees of the General Assembly, at least 45 days before seeking approval of the Board of Public Works for each bond issue or other borrowing, a comprehensive financing plan for the relevant segment of the facility including the effect of the financing plan on financing options for other segments of the facility.

(c) The Authority shall obtain the approval of the Board of Public Works of the proposed bond issue and the financing plan.

(d) The Authority shall secure a lease or other written agreement with Montgomery County, as approved by the Board of Public Works, under which:

(1) Montgomery County agrees to contribute $13,196,000 for the capital costs of construction of the Montgomery County Conference Center not later than the date of the Authority's bond issuance as authorized under § 10-628 of this subtitle;

(2) the Authority agrees to:

(i) issue bonds as authorized under § 10-628 of this subtitle; and

(ii) contribute $20,304,000 of the proceeds from the sale of the bonds for the capital costs of the construction of the Montgomery County Conference Center;

(3) Montgomery County and the Authority agree that if the actual capital costs for the construction of the Montgomery County Conference Center are less than $33,500,000, the savings shall be allocated:

(i) one-half to the Authority; and

(ii) one-half to Montgomery County;

(4) Montgomery County and the Authority agree that if the actual capital

costs for the construction of the Montgomery County Conference Center are more than $33,500,000, the excess shall be shared:

(i) one-half by the Authority; and

(ii) one-half by Montgomery County;

(5) Montgomery County agrees to purchase the land for the Montgomery County Conference site as defined in § 10-601 of this subtitle, on which the Montgomery County Conference Center will be constructed;

(6) Montgomery County and the Authority each own a 50% leasehold interest as tenants in common in the Montgomery County Conference facility for the duration of any bonds issued as authorized under § 10-628 of this subtitle; and

(7) Montgomery County and the Authority agree not to sell, assign, mortgage, pledge, or encumber the Montgomery County Conference facility, or any leasehold interest in the facility, without the prior consent of the other, except for liens in favor of the Authority's bondholders.

(e) The Authority shall secure a deed, lease, or written agreement with Montgomery County, as approved by the Board of Public Works, authorizing the Authority to:

(1) design, construct, and equip, or contract for the design, construction, and equipping of, the Montgomery County Conference facility; and

(2) pledge the Montgomery County Conference facility and the Montgomery County Conference site or the leasehold interest in the facility as security for the Authority's bonds.

(f) The Authority shall secure a written agreement with Montgomery County, as approved by the Board of Public Works:

(1) in which Montgomery County agrees:

(i) to market, promote, and operate or contract for the marketing, promotion, and operation of the Montgomery County Conference facility in a manner that maximizes the facility's economic return to the community; and

(ii) to maintain and repair or contract for the maintenance and repair of the Montgomery County Conference facility so as to keep the Montgomery County Conference facility in first class operating condition; and

(2) that includes provisions that:

(i) protect the respective investments of the Authority and Montgomery County in the Montgomery County Conference facility;

(ii) require Montgomery County to contribute to a capital improvement reserve fund in an amount sufficient to keep the conference center in first class operating condition;

(iii) require Montgomery County to be solely responsible for all expenditures relating to the operation of the Montgomery County Conference facilities that may be incurred, including the amount by which expenditures exceed revenues;

(iv) allow Montgomery County to keep all operating profits resulting from the operation of the Montgomery County Conference facility each year;

(v) provide for remedies on default, including the right of the Authority, if a material default by Montgomery County is not corrected after a reasonable notice and cure period, to:

1. immediately assume responsibility for maintenance and repairs of the Montgomery County Conference facility; and

2. offset the costs of the maintenance and repairs against other amounts owed by the Authority to Montgomery County, whether under the operating agreement with Montgomery County or otherwise;

(vi) authorize the Authority to select, through a cooperative procurement agreement, a contractor to develop, design, construct, operate, and manage the Montgomery County Conference facility during the period that the bonds issued by the Authority for the Montgomery County Conference facility are outstanding;

(vii) allow for the establishment of a board of directors to manage the Montgomery County Conference facility;

(viii) provide that the board of directors may include representatives of the Authority, Montgomery County, the private developer, and the community; and

(ix) provide that, unless action is taken to create a legal entity, the board of directors is not a separate legal entity.

(g) The Authority shall secure an agreement among Montgomery County, the Authority, and a private developer, as approved by the Board of Public Works, that provides for:

(1) the acquisition, construction, and operation of a hotel adjacent to the Montgomery County Conference facility; and

(2) a capital commitment from the developer for the hotel and, as appropriate, shared facilities.

§10–643.

(a) Except as allowed by § 10–639 of this subtitle, to finance site acquisition and construction of any segment of an Ocean City Convention facility, the Authority shall comply with this section.

(b) The Authority shall provide to the fiscal committees of the General Assembly, at least 45 days before seeking approval of the Board of Public Works for each bond issue or other borrowing, a comprehensive financing plan for the relevant segment of the facility, including the effect of the financing plan on financing options for other segments of the facility.

(c) The Authority shall obtain the approval of the Board of Public Works of the proposed bond issue and the financing plan.

(d) The Authority shall secure a lease or other written agreement with Ocean City, as approved by the Board of Public Works, under which:

(1) Ocean City agrees to:

(i) issue bonds not later than the date of the Authority's bond issuance as authorized under § 10–628 of this subtitle; and

(ii) contribute $14,700,000 of the proceeds from the sale of the bonds for the capital costs of the expansion of the Ocean City Convention Center;

(2) the Authority agrees to:

(i) issue bonds as authorized under § 10–628 of this subtitle; and

(ii) contribute $14,700,000 of the proceeds from the sale of the bonds for the capital costs of the expansion of the Ocean City Convention Center;

(3) Ocean City and the Authority agree that if the actual capital costs of the expansion of the Ocean City Convention Center are less than $29,400,000, the savings shall be allocated:

(i) one–half to the Authority; and

(ii) one–half to Ocean City;

(4) Ocean City agrees to provide the Ocean City Convention site, as defined in § 10–601 of this subtitle, for the expansion and renovation of the Ocean City Convention facility;

(5) Ocean City and the Authority shall each own a 50% leasehold interest as tenants in common in the improvements comprising the existing Ocean City Convention Center and the Ocean City Convention Center expansion for the duration

of any bonds issued as authorized under § 10–628 of this subtitle and for 20 years thereafter; and

(6) Ocean City and the Authority agree not to sell, assign, mortgage, pledge, or encumber the Ocean City Convention facility, or any leasehold interest in the facility, without the prior consent of the other, except for liens in favor of their respective bondholders.

(e) The Authority shall secure a deed, lease, or written agreement with Ocean City, as approved by the Board of Public Works, authorizing the Authority to:

(1) design, construct, and equip, or contract for the design, construction, and equipping of the Ocean City Convention facility expansion; and

(2) pledge the Ocean City Convention facility and the Ocean City Convention site or the leasehold interest in the facility as security for the Authority's bonds.

(f) (1) The Authority shall secure a written agreement with Ocean City, as approved by the Board of Public Works:

(i) in which Ocean City agrees to:

1. subject to paragraph (2) of this subsection, market, promote, and operate the Ocean City Convention facility in a manner that maximizes the facility's economic return;

2. maintain and repair the facility so as to keep it in first class operating condition; and

3. be solely responsible for all operating deficits and capital improvements:

A. before the completion of the expanded and renovated Ocean City Convention facility; and

B. 20 years after the repayment of the Ocean City Convention facility bonds issued by the Authority; and

(ii) that includes provisions that:

1. protect the respective investment of the Authority and Ocean City;

2. require:

A. the Authority to contribute one–half and Ocean City to contribute one–half to operating deficits; and

B. the Authority and Ocean City each to contribute $50,000 each year to a capital improvement reserve fund, for the period beginning on the completion of the expanded and renovated Ocean City Convention facility and continuing during the period that the Ocean City Convention facility bonds issued by the Authority are outstanding and for 20 years thereafter; and

3. provide for remedies on default, including the right of the Authority, if a material default by Ocean City is not corrected after a reasonable notice and cure period, to:

A. immediately assume responsibility for maintenance and repairs of the Ocean City Convention facility; and

B. offset the costs of the maintenance and repairs against other amounts owed by the Authority to Ocean City, whether under the operating agreement with Ocean City or otherwise.

(2) Paragraph (1)(i)1 of this subsection may not be construed to require gambling activities in the Ocean City Convention facility.

§10–644.

(a) Except as allowed by § 10-639 of this subtitle, to finance acquisition and construction of any segment of a sports facility, the Authority shall comply with this section.

(b) The Authority shall provide certification to the Legislative Policy Committee and the Board of Public Works, supported by a detailed report, that the Authority has attempted:

(1) to maximize private investment in the sports facility proposed to be financed; and

(2) with respect to a baseball or football stadium, to maximize the State's ability to ensure that the professional baseball and football franchises will remain permanently in the State.

(c) The Authority shall provide to the fiscal committees of the General Assembly, at least 45 days before seeking approval of the Board of Public Works for each bond issue or other borrowing, a comprehensive financing plan for the relevant segment of the facility, including the effect of the financing plan on financing options for other segments of the facility and anticipated revenues from private investment.

(d) The Authority shall obtain the approval of the Board of Public Works of the proposed bond issue and the financing plan.

(e) The Authority shall secure, as approved by the Board of Public Works:

(1) with respect to site acquisition and the construction of a baseball stadium, a long-term lease for a major league professional baseball team; or

(2) subject to § 10-617 of this subtitle, with respect to site acquisition and the construction of a football stadium:

(i) a franchise for a National Football League team; and

(ii) a long-term lease that includes a provision requiring the football team that leases the stadium to agree to reimburse the Authority:

1. for $24,000,000 in stadium construction costs, including the construction, fitting out, and furnishing of the private suites that are part of the football stadium; and

2. on the terms and conditions determined by the Authority.

§10–645.

(a) (1) Except as agreed to in the memorandum of understanding under § 10–646 of this subtitle, the Authority shall comply with this section and § 5–301 of the Education Article to finance improvements to a Baltimore City public school facility.

(2) The Authority and the Baltimore City Board of School Commissioners, as agreed to in the memorandum of understanding under § 10–646 of this subtitle and subject to paragraph (1) of this subsection, shall be responsible for school facilities construction and improvements financed with the proceeds of bonds issued under this subtitle in accordance with the Baltimore City Public Schools' 10–Year Plan approved by the Baltimore City Board of School Commissioners on January 8, 2013, which may be amended from time to time in accordance with parameters established for review and comment in the memorandum of understanding established under § 10–646 of this subtitle.

(3) (i) Except as agreed to in the memorandum of understanding under § 10–646 of this subtitle and subject to subparagraph (ii) of this paragraph, a power granted to the Authority under this subtitle may not in any way interfere with the enumerated powers of the Baltimore City Board of School Commissioners under Title 4, Subtitle 3 of the Education Article.

(ii) The powers of the Baltimore City Board of School Commissioners may not limit the ability of the Authority to carry out its obligations under this subtitle with respect to the improvement of Baltimore City public school facilities and the financing related to the improvements.

(b) (1) The Authority may not use any of its own money, whether appropriated or nonbudgeted, to pay for any costs or expenses related to financing improvements to Baltimore City public school facilities.

(2) The sole source of payment for any costs or expenses related to financing improvements to Baltimore City public school facilities shall be the money on deposit in the Baltimore City Public School Construction Facilities Fund and the Baltimore City Public School Construction Financing Fund and bond proceeds held under a trust agreement.

(c) At least 45 days before seeking approval of the Board of Public Works for each Baltimore City public school facilities bond issue, the Authority shall provide to the fiscal committees of the General Assembly written notice of:

(1) the aggregate amount of funds needed for the relevant Baltimore City public school facilities, including a list of the facilities to be improved;

(2) the anticipated total debt service for the proposed bond issue; and

(3) the anticipated total debt service when combined with the debt service for all prior outstanding bond issues for Baltimore City public school facilities.

(d) (1) A bond issued to finance improvements to a Baltimore City public school facility:

(i) is a limited obligation of the Authority payable solely from money pledged by the Authority to the payment of the principal of and the premium and interest on the bond or money made available to the Authority for that purpose;

(ii) is not a debt, liability, or a pledge of the faith and credit or the taxing power of the State, the Authority, or other governmental unit; and

(iii) may not give rise to any pecuniary liability of the State, the Authority, or other governmental unit.

(2) The issuance of a bond to finance improvements to a Baltimore City public school facility is not directly, indirectly, or contingently a moral or other obligation of the State, the Authority, or other governmental unit to levy or pledge any tax or to make an appropriation to pay the bond.

(3) Each bond shall state on its face the provisions of paragraphs (1) and (2) of this subsection.

(e) Before each issuance of bonds to finance improvements to a Baltimore City public school facility, the Authority shall obtain the approval of the Board of Public Works of the proposed bond issue.

(f) The total debt service for any bond issue, when added to all prior outstanding bond issues related to improvements to Baltimore City public school facilities, may not exceed the total amount of the funds provided under § 9–120(b)(1)(iii) of the State Government Article and the funds provided under subsections (g) and (h) of this section.

(g) (1) Beginning on July 1, 2013 and continuing until the bonds that have been issued to finance improvements to Baltimore City public school facilities are no longer outstanding and unpaid, Baltimore City shall deposit into the Baltimore City Public School Construction Financing Fund:

(i) subject to annual appropriation, all revenues and receipts from the beverage container tax imposed by Baltimore City Ordinance No. 12–45, enacted June 26, 2012;

(ii) the amounts paid by the State Comptroller to Baltimore City from the proceeds of table games at the video lottery facility located in Baltimore City that are dedicated to school construction in accordance with § 9–1A–27(d)(2)(i)1 of the State Government Article;

(iii) subject to annual appropriation, 10% of the participation rent paid to Baltimore City by the operator of the video lottery facility located in Baltimore City; and

(iv) any other revenues dedicated to or appropriated to the Baltimore City Public School Construction Financing Fund by Baltimore City.

(2) The money deposited into the Baltimore City Public School Construction Financing Fund in accordance with this subsection shall be at least:

(i) $4,000,000 by November 1, 2014;

(ii) an additional $4,000,000 by May 1, 2015;

(iii) an additional $4,000,000 by November 1, 2015;

(iv) an additional $4,000,000 by May 1, 2016; and

(v) until the bonds are no longer outstanding and unpaid:

1. an additional $5,000,000 by each November 1; and

2. an additional $5,000,000 by each May 1.

(3) If the funds deposited into the Baltimore City Public School Construction Financing Fund are less than the amounts required under paragraph (2) of this subsection:

(i) the Authority shall transfer money held in reserve for Baltimore City in the Baltimore City Public School Construction Facilities Fund to the Baltimore City Public School Construction Financing Fund in an amount equal to the lesser of:

1. the difference between the amount required to be paid under paragraph (2) of this subsection and the actual amount paid by Baltimore City;

or

2. the amount held in reserve for Baltimore City in the Baltimore City Public School Construction Facilities Fund; and

(ii) if the amount transferred to the Baltimore City Public School Construction Financing Fund under subparagraph (i) of this paragraph is less than the difference between the amount required to be paid under paragraph (2) of this subsection and the actual amount paid by Baltimore City:

1. the Authority shall direct the State Comptroller to withhold, under § 2–608 of the Tax – General Article, income tax revenue from Baltimore City in an amount equal to the difference between the amount transferred under subparagraph (i) of this paragraph and the amount required to be paid under paragraph (2) of this subsection; and

2. the State Comptroller shall credit the withheld amount to the Baltimore City Public School Construction Financing Fund on behalf of Baltimore City on or before the 15th day of the following December or June, as applicable.

(4) Any money deposited by Baltimore City or on behalf of Baltimore City in accordance with this section in excess of the amount required in any semiannual period shall be transferred by the Authority to the Baltimore City Public School Construction Facilities Fund and held in reserve in accordance with paragraph (3) of this subsection and § 10–657 of this subtitle.

(h) (1) Beginning on July 1, 2013, and continuing until the bonds that have been issued to finance improvements to Baltimore City public school facilities are no longer outstanding and unpaid, the State Comptroller shall withhold from any installment due the Baltimore City Board of School Commissioners from the General State School Fund money representing additional State funds received from recurring retiree health costs shifted from Baltimore City to the Baltimore City Board of School Commissioners and deposit into the Baltimore City Public School Construction Financing Fund $10,000,000 for fiscal year 2014 and each fiscal year thereafter, to be paid in equal bi–monthly payments.

(2) Beginning on July 1, 2015, and continuing until the bonds that have been issued to finance improvements to Baltimore City public school facilities are no longer outstanding and unpaid, in addition to the amount withheld under paragraph (1) of this subsection, the State Comptroller shall withhold from any installment due the Baltimore City Board of School Commissioners from the General State School Fund and deposit into the Baltimore City Public School Construction Financing Fund the following amounts, to be paid in equal bi–monthly payments:

(i) $10,000,000 for fiscal year 2016; and

(ii) $20,000,000 for fiscal year 2017 and each fiscal year thereafter.

(i) (1) If the money deposited in the Baltimore City Public School Construction Financing Fund in accordance with subsections (g) and (h) of this section is not needed for debt service or debt service reserves, the Authority may transfer those funds to the Baltimore City Public School Construction Facilities Fund.

(2) If funds are needed for debt service or debt service reserves, the Authority may transfer money in the Baltimore City Public School Construction Facilities Fund to the Baltimore City Public School Construction Financing Fund.

(j) In connection with improvements to Baltimore City public school facilities, the Baltimore City Board of School Commissioners shall:

(1) deliver to the Authority buildable sites, ready for improvement and free from any restrictions, easements, impediments, hazards or conditions that would affect the Authority's schedule or budget for the improvement to a Baltimore City public school facility;

(2) assume responsibility for the operation, maintenance, and repairs of each Baltimore City public school facility immediately before the occupancy of the Baltimore City public school facility or as agreed to in the memorandum of understanding under § 10–646 of this subtitle; and

(3) except for a transfer or assignment to the Baltimore City Board of School Commissioners, obtain the approval of the State Superintendent of Schools and the Board of Public Works before the sale, assignment, mortgage, pledge, or encumbrance of any Baltimore City public school facility, or any interest in the facility.

(k) (1) Subject to subsection (b) of this section, before any bonds are issued to finance improvements to a Baltimore City public school facility, the Authority may pay for any costs of start–up, administration, overhead, and operations of the Authority or costs of engineering, architectural, and other design professionals.

(2) (i) Any cost overruns, unbudgeted expenses, or unforeseen costs incurred in connection with an improvement to a Baltimore City public school facility shall be payable solely from the Baltimore City Public School Construction Facilities Fund.

(ii) If any cost overruns, unbudgeted expenses, or unforeseen costs occur as described in subparagraph (i) of this paragraph, the Authority shall provide a detailed report explaining the reasons for the cost overruns, unbudgeted expenses, or unforeseen costs and a description of the actions taken by the Authority to control costs within the budget established for each improvement to a Baltimore City public school facility.

(l) On October 1, 2013, and each October 1 thereafter, the Authority, Baltimore City, the Baltimore City Board of School Commissioners, and the Interagency Committee on School Construction jointly shall report to the Governor, the Board of Public Works and, in accordance with § 2–1246 of the State Government Article,

the fiscal committees of the General Assembly, on the progress of replacements, renovations, and maintenance of Baltimore City public school facilities, including actions:

(1) taken during the previous fiscal year; and

(2) planned for the current fiscal year.

§10–646.

(a) Before any bonds are issued to finance improvements to a Baltimore City public school facility:

(1) a four–party memorandum of understanding that meets the requirements of this section shall be entered into and signed by the Authority, Baltimore City, the Baltimore City Board of School Commissioners, and the Interagency Committee on School Construction; and

(2) the Baltimore City Board of School Commissioners shall submit a long–term educational facilities master plan to the Joint Audit Committee and the budget committees, in accordance with § 2–1246 of the State Government Article.

(b) In the case of a dispute between the parties relating to the provisions to be included in the memorandum of understanding, the State Superintendent of Schools shall facilitate resolution of the items in dispute.

(c) The memorandum of understanding shall be agreed to by the parties on or before October 1, 2013, and may not go into effect until it is approved by the Board of Public Works.

(d) (1) The memorandum of understanding shall authorize the Authority to design and improve, or contract for the design and improvement of, a Baltimore City public school facility.

(2) The authority granted to the Authority under paragraph (1) of this subsection is subject to the rights and responsibilities of the Interagency Committee on School Construction for the design and construction of a Baltimore City public school facility.

(e) The memorandum of understanding shall require:

(1) specific parameters regarding the roles, rights, and responsibilities of each party with respect to the process for and management of program development, scheduling, budgeting, procurement, design, construction administration, capital equipping, and maintenance of improvements to a Baltimore City public school facility;

(2) specific parameters regarding the authority of the Baltimore City Board of School Commissioners over educational programs and issues relating to the

Baltimore City Public Schools' 10–Year Plan, including educational specifications, feasibility studies, and design elements of educational buildings, which shall provide that at the completion of schematic design, all parties shall agree to project scope, schedule, and budget;

(3) specific parameters for a review and comment period for any proposed amendments to the Baltimore City Public Schools' 10–Year Plan, as referenced in § 10–645(a) of this subtitle;

(4) specific procedures related to the role of the Interagency Committee on School Construction related to improvements to a Baltimore City public school facility financed under this subtitle, which shall provide for efficiencies in cost, schedules, and processes;

(5) a process for determining which planned projects for improvements to Baltimore City public school facilities will proceed as planned or will be postponed or canceled;

(6) a pledge by Baltimore City, subject to annual appropriation, to deposit the following into the Baltimore City Public School Construction Financing Fund:

(i) all revenues and receipts from the beverage container tax imposed by Baltimore City Ordinance No. 12–45, enacted June 26, 2012; and

(ii) 10% of the participation rent paid to Baltimore City by the operator of the video lottery facility located in Baltimore City;

(7) a partnership between the Baltimore City Board of School Commissioners, the Baltimore City Department of Planning, Housing, Recreation, and Parks, and the Mayor of Baltimore City to coordinate new investment in Baltimore City public school facilities with the community development goals of Baltimore City;

(8) a plan for any new or substantially renovated Baltimore City public school facilities to be available for recreational opportunities for the community;

(9) a plan to present all architectural plans for all major renovation and new public school construction buildings and sites to the Baltimore City Planning Department's Urban Design and Architectural Review Panel for schematic and final design review;

(10) a process developed and agreed to by Baltimore City and the Baltimore City Board of School Commissioners to expedite the closure of public school buildings as provided in the Baltimore City Public Schools' 10–Year Plan approved on January 8, 2013, and to arrange for the productive use of the closed buildings through the surplus process;

(11) a plan developed by the Baltimore City Board of School Commissioners and approved by the Interagency Committee on School Construction for preventative

and ongoing maintenance for existing, new, and renovated Baltimore City public school facilities, including funding sufficient to implement the plan;

(12) a plan developed by the Baltimore City Board of School Commissioners and approved by the Interagency Committee on School Construction providing for minimum school utilization standards;

(13) the creation of a "Stat" program for the Baltimore City Public Schools' 10–Year Plan;

(14) specific parameters for Baltimore City public school facilities financed under this subtitle regarding:

(i) property management, maintenance plans and standards, annual inspections, and property insurance; and

(ii) any claims, losses, or damages arising from the Authority's improvement of any Baltimore City public school facility;

(15) a process to resolve disputes and revise the memorandum of understanding, if necessary; and

(16) an allocation of the public school improvements to be undertaken by the Authority and the Baltimore City Board of School Commissioners, respectively.

§10–647.

A financial institution, investment company, insurance company or association, or a personal representative, guardian, trustee, or other fiduciary, may legally invest any money belonging to it or within its control in any bonds issued by the Authority.

§10–648.

(a) The Authority is exempt from any requirement to pay taxes or assessments of any kind.

(b) The principal of and interest on bonds, and any income derived from the bonds, including profits made in their sale or transfer, are forever exempt from all State and local taxes.

§10–651.

(a) There is a Baltimore Convention Financing Fund.

(b) (1) The Baltimore Convention Fund is a continuing, nonlapsing fund that shall be available in perpetuity to implement this subtitle concerning Baltimore Convention facilities.

(2) The Authority shall:

(i) use the Baltimore Convention Fund as a revolving fund for carrying out this subtitle concerning Baltimore Convention facilities; and

(ii) pay any and all expenses from the Baltimore Convention Fund that are incurred by the Authority related to the Baltimore Convention facility.

(c) (1) To the extent considered appropriate by the Authority, the receipts of the Baltimore Convention Fund shall be pledged to and charged with the following relating to the Baltimore Convention facility:

(i) the payment of debt service on Authority bonds;

(ii) all reasonable charges and expenses related to Authority borrowing; and

(iii) the management of Authority obligations.

(2) The pledge shall be effective as provided in § 10–634 of this subtitle and any applicable Authority resolution.

(d) The Baltimore Convention Fund consists of:

(1) funds appropriated for deposit to the Baltimore Convention Fund;

(2) proceeds from the sale of bonds concerning the Baltimore Convention facility;

(3) revenues collected or received from any source under this subtitle related to Baltimore Convention facilities; and

(4) any additional money made available from any public or private sources for the purposes established for the Baltimore Convention Fund.

(e) (1) The Treasurer shall invest the money of the Baltimore Convention Fund in the same manner as other State funds.

(2) Any investment earnings shall be credited to the Baltimore Convention Fund.

(3) No part of the Baltimore Convention Fund may revert or be credited to the General Fund or any special fund of the State.

§10–652.

(a) There is a Camden Yards Financing Fund.

(b) The Authority shall:

(1) use the Camden Yards Fund as a nonlapsing, revolving fund for

implementing this subtitle concerning sports facilities and other facilities at Camden Yards;

(2) pay all expenses and make all expenditures related to Camden Yards facilities from the Camden Yards Fund; and

(3) transfer the sum of $24,000,000 to the Public School Construction Fund established under § 7–326 of the State Finance and Procurement Article by making an annual payment of $2,400,000 beginning in fiscal year 2001 and ending in fiscal year 2010.

(c) (1) To the extent considered appropriate by the Authority, the receipts of the Camden Yards Fund shall be pledged to and charged with the following relating to sports facilities:

(i) the payment of debt service on Authority bonds;

(ii) all reasonable charges and expenses related to Authority borrowing; and

(iii) the management of Authority obligations.

(2) The pledge shall be effective as provided in § 10–634 of this subtitle and any applicable Authority resolution.

(d) The Camden Yards Fund consists of:

(1) proceeds from the sale of bonds related to sports facilities;

(2) revenues collected or received from any source under this subtitle related to Camden Yards facilities;

(3) any other revenues related to Camden Yards facilities, under the jurisdiction of the Authority;

(4) admissions and amusement tax revenues distributed to the Authority under the Tax – General Article;

(5) any additional revenue, gift, donation, or other funding source authorized by law related to Camden Yards facilities; and

(6) payments by Baltimore City under subsection (f) of this section.

(e) (1) The Treasurer shall invest the money of the Camden Yards Fund in the same manner as State funds.

(2) Any investment earnings shall be credited to the Camden Yards Fund.

(3) No part of the Camden Yards Fund may revert to or be credited to the

General Fund or any special fund of the State.

(f) Baltimore City shall pay $1,000,000 each year into the Camden Yards Fund for the purposes of debt service and other forms of obligation by the Authority.

§10–653.

(a) There is a Hippodrome Performing Arts Financing Fund.

(b) (1) The Hippodrome Performing Arts Fund is a continuing, nonlapsing fund that shall be available in perpetuity to implement this subtitle concerning the Hippodrome Performing Arts facility.

(2) The Authority shall:

(i) use the Hippodrome Performing Arts Fund as a revolving fund for implementing this subtitle concerning the Hippodrome Performing Arts facility; and

(ii) pay any and all expenses from the Hippodrome Performing Arts Fund that are incurred by the Authority concerning the Hippodrome Performing Arts facility.

(c) (1) To the extent considered appropriate by the Authority, the receipts of the Hippodrome Performing Arts Fund shall be pledged to and charged with the following relating to the Hippodrome Performing Arts facility:

(i) the payment of debt service on Authority bonds;

(ii) all reasonable charges and expenses related to Authority borrowing; and

(iii) the management of Authority obligations.

(2) The pledge shall be effective as provided in § 10–634 of this subtitle.

(d) The Hippodrome Performing Arts Fund consists of:

(1) funds appropriated for deposit to the Hippodrome Performing Arts Fund;

(2) proceeds from the sale of bonds concerning the Hippodrome Performing Arts facility;

(3) revenues collected or received from any source under this subtitle concerning the Hippodrome Performing Arts facility; and

(4) any additional money made available from any public or private source for the purposes established for the Hippodrome Performing Arts Fund.

(e) (1) The Treasurer shall invest the money of the Hippodrome Performing Arts Fund in the same manner as State funds.

(2) Any investment earnings shall be credited to the Hippodrome Performing Arts Fund.

(3) No part of the Hippodrome Performing Arts Fund may revert or be credited to the General Fund or any special fund of the State.

§10–654.

(a) There is a Montgomery County Conference Financing Fund.

(b) (1) The Montgomery County Conference Fund is a continuing, nonlapsing fund that shall be available in perpetuity to implement this subtitle concerning the Montgomery County Conference facility.

(2) The Authority shall:

(i) use the Montgomery County Conference Fund as a revolving fund for implementing this subtitle relating to the Montgomery County Conference facility; and

(ii) pay any and all expenses incurred by the Authority concerning the Montgomery County Conference facility from the Montgomery County Conference Fund.

(c) (1) To the extent considered appropriate by the Authority, the receipts of the Montgomery County Conference Fund shall be pledged to and charged with the following relating to the Montgomery County Conference facility:

(i) the payment of debt service on Authority bonds;

(ii) all reasonable charges and expenses related to Authority borrowing; and

(iii) the management of Authority obligations.

(2) The pledge shall be effective as provided in § 10-634 of this subtitle.

(d) The Montgomery County Conference Fund consists of:

(1) funds appropriated for deposit to the Montgomery County Conference Fund;

(2) proceeds from the sale of bonds concerning the Montgomery County Conference facility;

(3) revenues collected or received from any source under this subtitle

concerning the Montgomery County Conference facility; and

(4) any additional money made available from any public or private sources for the purposes established for the Montgomery County Conference Fund.

(e) (1) The Treasurer shall invest the money of the Montgomery County Conference Fund in the same manner as State funds.

(2) Any investment earnings shall be credited to the Montgomery County Conference Fund.

(3) No part of the Montgomery County Conference Fund may revert or be credited to the General Fund or any special fund of the State.

§10–655.

(a) There is an Ocean City Convention Financing Fund.

(b) (1) The Ocean City Convention Fund is a continuing, nonlapsing fund that shall be available in perpetuity to implement this subtitle relating to the Ocean City Convention facility.

(2) The Authority shall:

(i) use the Ocean City Convention Fund as a revolving fund for implementing this subtitle relating to the Ocean City Convention facility; and

(ii) pay any and all expenses incurred by the Authority concerning the Ocean City Convention facility from the Ocean City Convention Fund.

(c) (1) To the extent considered appropriate by the Authority, the receipts of the Ocean City Convention Fund shall be pledged to and charged with the following relating to the Ocean City Convention facility:

(i) the payment of debt service on Authority bonds;

(ii) all reasonable charges and expenses related to Authority borrowing; and

(iii) the management of Authority obligations.

(2) The pledge shall be effective as provided in § 10–634 of this subtitle and any applicable Authority provision.

(d) The Ocean City Convention Fund consists of:

(1) funds appropriated for deposit to the Ocean City Convention Fund;

(2) proceeds from the sale of bonds concerning the Ocean City Convention

facility;

(3) revenues collected or received from any source under this subtitle concerning Ocean City Convention facilities; and

(4) any additional money made available from any public or private sources for the purposes established for the Ocean City Convention Fund.

(e) (1) The Treasurer shall invest the money of the Ocean City Convention Fund in the same manner as State funds.

(2) Any investment earnings shall be credited to the Ocean City Convention Fund.

(3) No part of the Ocean City Convention Fund may revert or be credited to the General Fund or any special fund of the State.

§10–656.

(a) There is a Baltimore City Public School Construction Financing Fund.

(b) (1) The Baltimore City Public School Construction Financing Fund is a continuing, nonlapsing fund that shall be available in perpetuity to implement this subtitle concerning Baltimore City public school facilities.

(2) The Authority shall:

(i) use the Baltimore City Public School Construction Financing Fund as a revolving fund for carrying out this subtitle concerning Baltimore City public school facilities; and

(ii) pay any and all expenses from the Baltimore City Public School Construction Financing Fund that are incurred by the Authority related to any Baltimore City public school facilities.

(c) (1) To the extent considered appropriate by the Authority, the money on deposit in the Baltimore City Public School Construction Financing Fund shall be pledged to and used to pay the following relating to Baltimore City public school facilities:

(i) debt service on Authority bonds;

(ii) debt service reserves under a trust agreement;

(iii) all reasonable charges and expenses related to Authority borrowing; and

(iv) all reasonable charges and expenses related to the Authority's administration of the Baltimore City Public School Construction Financing Fund and

management of the Authority's obligations.

(2) The pledge shall be effective as provided in § 10–634 of this subtitle and any applicable Authority resolution.

(d) The Baltimore City Public School Construction Financing Fund consists of:

(1) money deposited in the Baltimore City Public School Construction Financing Fund;

(2) to the extent that the proceeds are not under a trust agreement, proceeds from the sale of bonds concerning Baltimore City public school facilities;

(3) revenues collected or received from any source under this subtitle related to Baltimore City public school facilities, including revenues collected or received in accordance with § 9–120 of the State Government Article;

(4) funds to be deposited in accordance with § 10–645 of this subtitle; and

(5) any additional money made available from any public source for the purposes established for the Baltimore City Public School Construction Financing Fund.

(e) (1) The Treasurer shall invest the money of the Baltimore City Public School Construction Financing Fund in the same manner as other State funds.

(2) Any investment earnings shall be credited to the Baltimore City Public School Construction Financing Fund.

(3) No part of the Baltimore City Public School Construction Financing Fund may revert or be credited to the General Fund or any special fund of the State.

§10–657.

(a) There is a Baltimore City Public School Construction Facilities Fund.

(b) (1) The Baltimore City Public School Construction Facilities Fund is a continuing, nonlapsing fund that shall be available in perpetuity to implement this subtitle concerning Baltimore City public school facilities.

(2) The Authority shall:

(i) use the Baltimore City Public School Construction Facilities Fund as a revolving fund for carrying out this subtitle concerning Baltimore City public school facilities; and

(ii) to the extent authorized by federal tax law, pay any and all expenses from the Baltimore City Public School Construction Facilities Fund that are incurred by the Authority related to any Baltimore City public school facilities.

(c) To the extent considered appropriate by the Authority or as agreed to in the memorandum of understanding under § 10–646 of this subtitle, the money on deposit in the Baltimore City Public School Construction Facilities Fund shall be used to pay the following relating to Baltimore City public school facilities:

(1) debt service on Authority bonds;

(2) design and construction costs relating to Baltimore City public school facilities;

(3) to the extent authorized by federal tax law, costs of start–up, administration, overhead, and operations related to the management of improvements to Baltimore City public school facilities authorized under this subtitle and undertaken by the Baltimore City Board of School Commissioners; and

(4) all reasonable charges and expenses related to the Authority's administration of the Baltimore City Public School Construction Facilities Fund and the Baltimore City Public School Construction Financing Fund and management of the Authority's obligations.

(d) The Baltimore City Public School Construction Facilities Fund consists of:

(1) funds transferred from the Baltimore City Public School Construction Financing Fund to the Baltimore City Public School Construction Facilities Fund in accordance with § 10–645(i) of this subtitle; and

(2) any additional money made available from any public source for the purposes established for the Baltimore City Public School Construction Facilities Fund.

(e) (1) The Treasurer shall invest the money of the Baltimore City Public School Construction Facilities Fund in the same manner as other State funds.

(2) Any investment earnings shall be credited to the Baltimore City Public School Construction Facilities Fund.

(3) No part of the Baltimore City Public School Construction Facilities Fund may revert or be credited to the General Fund or any special fund of the State.

§10–658.

This subtitle may be cited as the Maryland Stadium Authority Act.

§10–701.

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

(b) "Board" means the Board of Trustees of the Maryland Venture Capital Trust.

(c) "Investor" means a person or governmental entity that invests money in the Maryland Venture Capital Trust.

(d) (1) "Seed capital financing" means financing provided to a business during the initial stages of its development.

(2) "Seed capital financing" includes financing for a business:

(i) to finish research and development of a product;

(ii) to develop marketing plans; and

(iii) to provide for initial facilities, inventory, and working capital.

(e) "Trust" means the Maryland Venture Capital Trust.

(f) "Venture capital fund" means an investment fund that provides capital to a business at any stage of its development before the business makes a public offering of stock.

§10–702.

(a) The General Assembly finds that:

(1) small businesses are a major source of new jobs and innovations in the State;

(2) the State's research capacity could spur innovation in new and existing businesses to create and maintain jobs in the State; and

(3) an inadequate supply of seed capital financing and venture capital funds has limited the commercialization of research and development in the State.

(b) The General Assembly intends for the Trust to:

(1) help fill the gap in the State's economy caused by the inadequate supply of seed capital financing and venture capital funds; and

(2) stimulate the commercialization of research and development to create and sustain businesses throughout the State.

§10–703.

This subtitle shall be liberally construed to accomplish its purposes.

§10–704.

(a) There is a Maryland Venture Capital Trust.

(b) The Trust is a body politic and corporate and is an instrumentality of the State.

§10–705.

(a) There is a Board of Trustees of the Trust.

(b) (1) The Board consists of seven members appointed by the Governor with the advice and consent of the Senate.

(2) Of the seven members:

(i) four shall represent the investors and have been recommended to the Governor by the investors;

(ii) at least one shall have expertise in venture capital financing; and

(iii) at least one shall have experience as a small business owner.

(3) Each member shall be a resident of the State.

(4) The Governor shall consider geographic diversity of the State when appointing members of the Board.

(c) (1) The term of a member is 4 years.

(2) The terms of members are staggered as required by the terms provided for members of the Board on October 1, 2008.

(3) At the end of a term, a member continues to serve until a successor is appointed and qualifies.

(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(5) The Governor may remove a member with or without cause.

(d) The Governor shall appoint a chair from among the Board members.

(e) (1) A majority of the members then serving on the Board is a quorum.

(2) A majority vote of the members present at a meeting having a quorum is needed for the Board to act.

(f) A member of the Board:

(1) may not receive compensation as a member of the Board; but

(2) is entitled to reimbursement for expenses under the Standard State

Travel Regulations, as provided in the State budget.

(g) The Board:

(1) shall manage the Trust; and

(2) exercises all of the corporate powers of the Trust.

§10–706.

(a) The Trust is:

(1) exempt from the General Procurement Law provisions of Division II of the State Finance and Procurement Article; but

(2) subject to Title 12, Subtitle 4 of the State Finance and Procurement Article.

(b) The Trust is exempt from the provisions of Division I of the State Personnel and Pensions Article that govern the State Personnel Management System.

§10–707.

(a) The Trust may:

(1) solicit and accept for investment in the Trust money from any source including not more than $2,000,000 in appropriations from the State;

(2) enter into agreements with the investors that set forth the terms governing the investment of money in the Trust by the investors;

(3) by preparing and publishing requests for proposals, solicit offerings by venture capitalists and venture capital funds that meet the purposes and requirements of the Trust, which shall be set forth in the requests for proposals;

(4) subject to § 10-708 of this subtitle, select the venture capital funds in which to invest money from the Trust;

(5) retain investment earnings that exceed the investment earnings that the Trust must pay to investors; and

(6) take any action necessary to carry out the powers expressly granted by this subtitle.

(b) (1) The Trust may not accept a cumulative investment of more than $15,000,000 from the State Retirement and Pension System.

(2) The Trust may not accept a cumulative investment of more than $5,000,000 from any other single investor.

§10–708.

The Board shall give preference to venture capital fund proposals that:

(1) provide financing predominately to businesses that conduct a substantial amount of business in the State;

(2) require venture capital funds to match the money invested by the Trust with money invested by private investors on at least a 1 to 3 ratio; and

(3) ensure that a majority of the money that the Trust invests is for seed capital financing in the State.

§10–709.

Seed capital financing may not exceed $1,000,000 for a single business.

§10–710.

A debt, claim, obligation, or liability of the Trust is not a debt, claim, obligation, or liability of the State or a unit or instrumentality of the State or a pledge of the State's credit.

§10–711.

The Trust is exempt from taxation by the State and local governments.

§10–712.

(a) Each year, an independent auditor approved by the State shall audit the books and records of the Trust.

(b) At its discretion, the State may audit the books and records of the Trust.

(c) The Trust shall pay the expense of an audit conducted under this section.

§10–801.

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

(b) "Administration" means the Maryland Energy Administration.

(c) "Board" means the Board of Directors of the Center.

(d) (1) "Bond" means a bond issued by the Center under this subtitle.

(2) "Bond" includes a revenue bond, a revenue refunding bond, a note, and any other obligation, whether a general or limited obligation of the Center.

(e) "Center" means the Maryland Clean Energy Center.

(f) "Clean energy" includes:

(1) solar photovoltaic technology;

(2) solar heating;

(3) geothermal;

(4) wind;

(5) biofuels;

(6) ethanol;

(7) other qualifying biomass as defined in § 7–701 of the Public Utilities Article;

(8) ocean, including energy from waves, tides, currents, and thermal differences;

(9) a fuel cell that produces energy from biofuels, ethanol, or other qualifying biomass;

(10) energy efficiency and conservation;

(11) any other technology or service that the Center determines will contribute directly or indirectly to the production of energy from renewable or sustainable sources, or to the improvement of efficiency in the use of energy; and

(12) deployment of any of the technologies or services listed in items (1) through (11) of this subsection.

(g) "Cost", with respect to a project financed under this subtitle, includes:

(1) the purchase price of a project;

(2) the cost to acquire any right, title, or interest in a project;

(3) the cost of any improvement;

(4) the cost of any property, right, easement, and franchise;

(5) the cost of demolition, removal, or relocation of structures;

(6) the cost of acquiring land to which the structures may be moved;

(7) the cost of equipment;

(8) financing charges;

(9) interest before and during construction and, if the Center determines, for a limited period after the completion of construction;

(10) reserves for principal and interest and for improvements;

(11) the cost of revenue and cost estimates, architectural, engineering, financial, and legal services, plans, specifications, studies, surveys, and other expenses necessary or incident to determining the feasibility of improving a project; and

(12) other expenses as necessary or incident to:

(i) financing a project;

(ii) acquiring and improving a project; and

(iii) placing a project in operation.

(h) "Director" means the Director of the Administration.

(i) "Executive Director" means the Executive Director of the Maryland Clean Energy Center.

(j) "Finance" includes refinance.

(k) "Governmental unit" means:

(1) a county;

(2) a municipal corporation;

(3) a State unit;

(4) a local unit; or

(5) any other public body or unit established in accordance with a State or local law, ordinance, or resolution.

(l) "Improve" means to add, alter, construct, equip, expand, extend, improve, install, reconstruct, rehabilitate, remodel, or repair.

(m) "Improvement" means addition, alteration, construction, equipping, expansion, extension, improvement, installation, reconstruction, rehabilitation, remodeling, or repair.

(n) (1) "Project" means any property, the acquisition or improvement of which the Board, in its sole discretion, determines by resolution will accomplish at least one of the purposes listed in § 10–802(b) of this subtitle, whether or not the property:

(i) is or will be used or operated for profit or not for profit;

(ii) is or will be located on a single site or multiple sites; or

(iii) may be financed by bonds, the interest on which is exempt from income taxation under federal law.

(2) "Project" includes:

(i) land or an interest in land;

(ii) structures, equipment, furnishings, rail or motor vehicles, barges, and boats;

(iii) property and rights related to property, appurtenances, rights–of–way, franchises, and easements;

(iv) property that is functionally related and subordinate to a project; and

(v) patents, licenses, and other rights necessary or useful in the improvement or operation of a project.

(o) (1) "Revenues" means the income, revenue, and other money the Center receives from or in connection with a project, and all other income of the Center.

(2) "Revenues" includes grants, rentals, rates, fees, and charges for the use of the services furnished or available.

(p) (1) "Trust agreement" means an agreement entered into by the Center to secure a bond.

(2) "Trust agreement" may include a bond contract, bond resolution, or other contract with or for the benefit of a bondholder.

§10–802.

(a) The General Assembly finds that:

(1) the United States as a whole, and the State in particular, are facing increased energy costs based on many factors, including rising fuel costs, limited investment in generation and transmission facilities, and a complex combination of market–based and other regulatory mechanisms that balance environmental, economic, health, and welfare interests;

(2) continued exclusive reliance on traditional forms of electricity supply entrenches the State's dependence on fossil fuels, working against the State's policy of decreasing greenhouse gas production, as evidenced by the State's accession to the Regional Greenhouse Gas Initiative;

(3) "clean energy", a broad term that includes a wide and varied mixture of strategies and techniques to produce useful energy from renewable and sustainable sources in a manner that minimizes fossil fuel use and harmful emissions, and to increase the efficient use of energy derived from all sources, offers many different opportunities for residents of the State to succeed in entrepreneurial and other commercial activity, to the overall economic and environmental benefit of the entire State, as measured in improved air and water quality, moderated energy expenditures, and increased State and local tax receipts;

(4) many individuals and businesses in the State possess talents and interest in the clean energy technology sector, which may form the basis for encouraging development and deployment of sustainable and renewable energy technologies in the State, the nation, and the world;

(5) the State will benefit from a targeted effort to establish and incubate clean energy industries in the State, including financial assistance, information sharing, and technical support for entrepreneurs in the manufacture and installation of clean energy technology; and

(6) it is in the public interest to establish a public corporation to undertake the tasks of promoting clean energy industries in the State, developing incubators for those industries, providing financial assistance, and also providing information sharing and technical assistance.

(b) The purposes of this subtitle are to:

(1) encourage the development of clean energy industries in the State;

(2) encourage the deployment of clean energy technologies in the State;

(3) help retain and attract business activity and commerce in the clean energy technology industry sector in the State;

(4) promote economic development; and

(5) promote the health, safety, and welfare of residents of the State.

(c) The General Assembly intends that:

(1) the Center operate and exercise its corporate powers in all areas of the State;

(2) without limiting its authority to otherwise exercise its corporate powers, the Center exercise its corporate powers to assist governmental units and State and local economic development agencies to contribute to the expansion, modernization, and retention of existing enterprises in the State as well as the attraction of new business to the State;

(3) the Center cooperate with private industries and local governments in maximizing new economic opportunities for residents of the State; and

(4) the Center accomplish at least one of the purposes listed in subsection (b) of this section and complement existing State marketing and financial assistance programs by:

(i) owning projects;

(ii) leasing projects to other persons; or

(iii) lending the proceeds of bonds to other persons to finance the costs of acquiring or improving projects that the persons own or will own.

§10–803.

(a) This subtitle shall be liberally construed to carry out its purposes.

(b) This subtitle may not be construed to limit or restrict the duties, programs, or authority of the Maryland Energy Administration.

§10–806.

(a) There is a Maryland Clean Energy Center.

(b) The Center is a body politic and corporate and is an instrumentality of the State.

(c) The exercise by the Center of the powers conferred by this subtitle is the performance of an essential governmental function.

(d) The purposes of the Center are to:

(1) promote economic development and jobs in the clean energy industry sector in the State;

(2) promote the deployment of clean energy technology in the State;

(3) serve as an incubator for the development of clean energy industry in the State;

(4) collect, analyze, and disseminate industry data; and

(5) provide outreach and technical support to further the clean energy industry in the State.

(e) The Center shall coordinate with the Maryland Energy Administration and may not duplicate the programs or activities of the Administration without consent of the Administration.

§10–807.

(a) A Board of Directors shall manage the Center and exercise its corporate powers.

(b) The Board consists of the following nine members:

(1) the Director, or the Director's designee; and

(2) eight members appointed by the Governor with the advice and consent of the Senate:

(i) two representing the not–for–profit clean energy research sector of the State;

(ii) two with expertise in venture capital financing;

(iii) two representing clean energy industries in the State; and

(iv) two members of the general public.

(c) A member of the Board shall reside in the State.

(d) In making appointments to the Board, the Governor shall consider:

(1) diversity; and

(2) all geographic regions of the State.

(e) A member of the Board:

(1) may not receive compensation as a member of the Board; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) (1) The term of an appointed member is 4 years and begins on July 1.

(2) The terms of the appointed members are staggered as required by the terms provided for members on October 1, 2008.

(3) At the end of a term, an appointed member continues to serve until a successor is appointed and qualifies.

(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(g) The Governor may remove an appointed member for incompetence, misconduct, or failure to perform the duties of the position.

§10–808.

From among its members, the Board shall elect a chair, a vice chair, and a treasurer.

§10–809.

(a) The Board shall determine the times and places of its meetings.

(b) (1) A majority of the appointed and qualified members of the Board is a quorum.

(2) The Board may act with an affirmative vote of a majority of the appointed and qualified members of the Board.

§10–810.

(a) (1) The Board shall establish an Advisory Committee.

(2) The Advisory Committee consists of individuals that the Board considers will assist the Center in studying and developing policies to further the purposes of this subtitle.

(b) The Board may establish other committees as appropriate.

(c) (1) The membership of a committee may include individuals who are not Board members.

(2) The Board may establish the term and manner of selection of the membership of a committee.

§10–811.

(a) (1) Subject to the approval of the Governor, the Board shall appoint an Executive Director.

(2) The Executive Director serves at the pleasure of the Board.

(3) The Board shall determine the salary of the Executive Director.

(b) (1) The Executive Director is the chief administrative officer of the Center.

(2) The Executive Director shall manage the administrative affairs and technical activities of the Center in accordance with policies and procedures that the Board establishes.

(c) The Executive Director, or the Executive Director's designee, shall:

(1) attend all meetings of the Board;

(2) act as secretary to the Board;

(3) keep minutes of all proceedings of the Board;

(4) approve all salaries, per diem payments, and allowable expenses of the Center, its employees, and its consultants;

(5) approve any expenses incidental to the operation of the Center; and

(6) perform the other duties that the Board directs in carrying out this subtitle.

§10–812.

(a) The Attorney General is the legal advisor to the Center.

(b) With the approval of the Attorney General, the Center may retain any necessary lawyers.

§10–813.

The Center may retain any necessary accountants, engineers, financial advisors, or other consultants.

§10–814.

(a) Except as provided in subsections (b), (c), and (e) of this section, the Center is exempt from:

(1) Title 10 and Division II of the State Finance and Procurement Article; and

(2) §§ 3–301 and 3–303 of the General Provisions Article.

(b) The Center is subject to the Public Information Act.

(c) The Board and the officers and employees of the Center are subject to the Public Ethics Law.

(d) The officers and employees of the Center are not subject to the provisions of Division I of the State Personnel and Pensions Article that govern the State Personnel Management System.

(e) The Center, its Board, and employees are subject to Title 12, Subtitle 4 and Title 14, Subtitle 3 of the State Finance and Procurement Article.

(f) The Center is a public body under Title 5, Subtitle 4 of this article, the Maryland Industrial Development Financing Authority Act, for purposes of applying for, receiving, and making agreements in connection with:

(1) a loan;

(2) a grant;

(3) insurance; or

(4) any other form of financial assistance.

§10–815.

A finding by the Board concerning the public purpose of an action, the legislative intent expressed under this subtitle, or the appropriateness of the action in serving the public purpose and satisfying the legislative intent is conclusive in a proceeding that involves the validity or enforceability of:

(1) an agreement entered into by the Center under this subtitle;

(2) a bond; or

(3) any security relating to a bond.

§10–816.

(a) The Center shall establish a system of financial accounting, controls, audits, and reports.

(b) The fiscal year of the Center begins on July 1 and ends on the following June 30.

§10–817.

(a) The Center may create and administer the accounts that it requires.

(b) The Center shall deposit its money into a State or national bank or a federally insured savings and loan association that has a total paid–in capital of at least $1,000,000.

(c) The Center may designate the trust department of a State bank, national bank, or savings and loan association as a depository to receive securities that the Center owns or acquires.

(d) Unless an agreement or covenant between the Center and the holders of its obligations limits classes of investments, the Center may invest its money in bonds or other obligations of, or guaranteed as to principal and interest by, the United States, the State, or a governmental unit.

§10–818.

(a) (1) The Executive Director and each other officer authorized by the Center

may:

(i) allow copies to be made of the minutes and records of the Center; and

(ii) certify records under seal showing that the copies are true copies.

(2) A person may rely on the certified record.

(b) The records of the Center are public records subject to reasonable inspection.

§10–819.

The Center may:

(1) adopt bylaws for the conduct of its business;

(2) adopt a seal;

(3) maintain offices at a place it designates in the State;

(4) accept loans, grants, or assistance of any kind from the federal or State government, a local government, a college or university, or a private source;

(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 the powers granted

by this subtitle.

§10–820.

The Center may make grants to or provide equity investment financing for clean energy technology–based businesses.

§10–821.

The Center may:

(1) acquire, develop, improve, manage, market, license, sublicense, maintain, lease as lessor or lessee, or operate a project in the State to carry out its purposes;

(2) acquire, directly or indirectly, from a person or governmental unit, by purchase, gift, or devise any property, rights–of–way, franchises, easements, or other interests in land, including submerged land and riparian rights:

(i) as necessary or convenient to improve or operate a project to carry out its purposes; and

(ii) on the terms and at the prices that it considers reasonable; and

(3) enter into a project with a manufacturer to carry out its purposes.

§10–822.

The Center may:

(1) borrow money and issue bonds to finance any part of the cost of a project or for any other corporate purpose of the Center;

(2) secure the payment of any portion of the borrowing by pledge of or mortgage or deed of trust on property or revenues of the Center;

(3) combine projects for financing, make agreements with or for the benefit of the bondholders or with others in connection with the issuance or future issuance of bonds, as the Center considers advisable; and

(4) otherwise provide for the security of bonds and the rights of bondholders.

§10–823.

(a) The Center shall serve as a clearinghouse for information and materials that may be pertinent to clean energy technology, education, and deployment in the State, for persons engaged in the clean energy industry as developers, manufacturers, and installers, as well as for consumers and financial institutions, including information

on available federal, State, and private financial assistance and technical assistance.

(b) The Center may:

(1) cooperate with and provide assistance to local governments, instrumentalities, and research entities in the State; and

(2) coordinate clean energy technology development, education, and deployment activities with programs of the federal government and of governmental units and public and private entities in and outside the State.

§10–824.

The Center is exempt from State and local taxes.

§10–825.

The books and records of the Center are subject to audit:

(1) at any time by the State; and

(2) each year by an independent auditor that the Office of Legislative Audits approves.

§10–826.

(a) On or before October 1 of each year, the Center shall report to the Governor, the Administration, and, in accordance with § 2–1246 of the State Government Article, the General Assembly.

(b) The report shall include a complete operating and financial statement covering the Center's operations and a summary of the Center's activities during the preceding fiscal year.

§10–829.

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

(b) "Financial assistance" means a grant, loan, credit enhancement, or similar assistance.

(c) "Program" means the Maryland Clean Energy Technology Incubator Program.

§10–830.

(a) There is a Maryland Clean Energy Technology Incubator Program.

(b) The Center shall administer the Program.

§10–831.

The purpose of the Program is to promote entrepreneurship and the creation of jobs in clean energy technology–related industry by establishing and operating effective incubators throughout the State that provide adequate physical space designed, and programs intended, to increase or accelerate business success in the field of clean energy technology.

§10–832.

(a) To carry out the purposes of the Program, the Center shall award financial assistance under this part.

(b) The Center shall consult with the Administration, the Department, and other appropriate governmental units in the development of the Program.

§10–833.

The Center may award financial assistance using money provided by the federal government, the State, a governmental unit, or any person.

§10–834.

(a) After consulting with the Director, the Center shall adopt standards to award financial assistance.

(b) The standards shall authorize the award of financial assistance to:

(1) support the development and use of best practices in the incubation process;

(2) provide strategic planning, needs assessments, and feasibility studies; or

(3) help acquire or improve new or expanded space or improve existing space for an incubator, including providing or helping another with:

(i) acquisition of land;

(ii) acquisition of architectural or engineering services;

(iii) payment of administrative costs;

(iv) development or upgrading of communications infrastructure;

(v) acquisition of furnishings or equipment; or

(vi) acquisition of other items associated with tenant build–out.

§10–835.

The Center may award financial assistance to:

(1) a local government;

(2) an agency, instrumentality, or not–for–profit corporation that the local government designates;

(3) a public or private college or university;

(4) the Maryland Economic Development Corporation; or

(5) a not–for–profit entity operating an incubator in the State.

§10–836.

(a) A recipient of financial assistance under § 10–834(b)(3) of this subtitle shall provide matching funds or in–kind contributions for the project at least equal to the financial assistance awarded.

(b) The Center may waive the requirement of subsection (a) of this section for good cause shown.

§10–837.

Unless two–thirds of the membership of the Board approve, the Center may not award financial assistance within a single county under § 10–834(b)(3) of this subtitle that exceeds a total of $1,000,000 in a single fiscal year.

§10–840.

(a) (1) The Center may periodically:

(i) issue bonds for any corporate purpose, including operating expenses;

(ii) refund those bonds;

(iii) purchase its bonds with any funds available; and

(iv) hold, pledge, cancel, or resell bonds.

(2) By resolution, the Board may authorize the chair, vice chair, one of its members, or a committee of its members to determine, provide for, or approve any matters relating to bonds that the Board considers appropriate including:

(i) specifying, determining, prescribing, and approving matters, documents, and procedures that relate to the authorization, sale, security, issuance,

delivery, and payment of and for the bonds;

(ii) creating security for the bonds;

(iii) providing for the administration of bond issues; and

(iv) taking other actions it considers appropriate concerning the bonds.

(3) The power granted in paragraph (2) of this subsection is in addition to powers conferred on the Board by this subtitle and does not limit any power of the Board under this subtitle.

(4) (i) Subject to subparagraph (ii) of this paragraph, the Board may authorize the Executive Director to take any of the actions described in paragraph (2) of this subsection.

(ii) If the Board authorizes the Executive Director to take any of the actions described in paragraph (2) of this subsection, the Board shall prescribe limits within which the Executive Director may exercise discretion.

(b) (1) Except as otherwise provided by the Center, each issue of its bonds is a general obligation of the Center payable from any revenues or moneys of the Center that are available and not otherwise pledged.

(2) The provisions of paragraph (1) of this subsection are subject to any agreements with:

(i) holders of particular bonds pledging any particular revenues or moneys; and

(ii) any participating institution.

(c) For each issue of its bonds, the Center shall pass a resolution that:

(1) specifies and describes the project for which the proceeds of the bond issuance are intended;

(2) generally describes the public purpose and the financing transaction to be accomplished;

(3) specifies the maximum principal amount of the bonds that may be issued by the Center; and

(4) imposes any terms or conditions on the issuance and sale of the bonds that the Center considers appropriate.

(d) Subject to any provision for their registration, bonds are negotiable instruments for all purposes regardless of whether they are payable from a special

fund.

(e) (1) The bonds may be:

(i) serial bonds;

(ii) term bonds; or

(iii) both in the discretion of the Center.

(2) Subject to any delegation under subsection (a)(2) of this section, the resolution authorizing bonds may provide:

(i) the dates of the bonds;

(ii) the maturity dates of the bonds;

(iii) the interest rates on the bonds;

(iv) the time at which the bonds will be payable;

(v) the denominations of the bonds;

(vi) whether the bonds will be in a coupon or registered form;

(vii) any registration privileges of the bonds;

(viii) the manner of execution of the bonds;

(ix) the place at which the bonds will be payable; and

(x) any terms of redemption of the bonds.

(3) The bonds shall mature within a period not to exceed 50 years after their date.

(4) The bonds shall be payable in United States currency.

(f) The bonds may be sold by competitive or negotiated sale at a price determined by the Center.

(g) Pending preparation of the definitive bonds, the Center may issue interim receipts or certificates that will be exchanged for definitive bonds.

(h) (1) A trust agreement authorizing bonds may contain provisions that are part of the contract with the bondholders.

(2) The provisions may include:

(i) pledging the following to secure payment of bonds, subject to any existing agreements with bondholders:

1. the full faith and credit of the Center;

2. the full faith and credit of a participating institution;

3. revenues of a project;

4. a revenue–producing contract the Center has made with a person or public entity; or

5. the proceeds of the sale of bonds;

(ii) the rentals, fees, and other charges, the amounts to be raised in each year, and the use and disposition of the revenues;

(iii) the setting aside of reserves and sinking funds and their disposition;

(iv) limits on the right of the Center or its agents to restrict and regulate the use of a project;

(v) limits on the purpose to which the proceeds of sale of bonds may be applied;

(vi) limits on issuing additional bonds, the terms under which additional bonds may be issued and secured, and refunding outstanding bonds;

(vii) the procedure to amend or abrogate the terms of a contract with bondholders and the requirements for consent;

(viii) limits on the amount of project revenues to be expended for operating, administrative, or other expenses of the Center;

(ix) the acts or omissions that constitute default by the Center and the rights and remedies of the bondholders in the event of a default;

(x) the conveyance or mortgaging of a project and its site to secure the bondholders; and

(xi) creation and disposition of a collateral fund, instead of conveyance or mortgage, for the purpose of securing the bondholders.

(i) The members of the Board and a person executing the bonds may not be held liable personally on the bonds.

§10–841.

(a) The Center may secure bonds by a trust agreement.

(b) The corporate trustee under a trust agreement may be a trust company or a bank that has the powers of a trust company in or outside the State.

(c) In addition to the provisions described in § 10–840(h) of this subtitle, the trust agreement may contain:

(1) either:

(i) a provision conveying or mortgaging all or a portion of the project; or

(ii) a provision creating a collateral account;

(2) other provisions that the Center considers reasonable and proper for the security of bondholders; and

(3) a provision that restricts the individual right of action by bondholders.

(d) An expense incurred in carrying out the trust agreement or a resolution may be treated as part of the cost of the operation of a project.

§10–842.

Bonds are securities:

(1) in which any of the following persons may legally and properly invest money, including capital that the person owns or controls:

(i) an officer or unit of the State or a political subdivision;

(ii) a bank, trust company, savings and loan association, investment company, or other person conducting a banking business;

(iii) an insurance company, insurance association, or other person conducting an insurance business;

(iv) a personal representative, guardian, trustee, or other fiduciary; and

(v) any other person; and

(2) that may be deposited with and received by a unit of the State or a political subdivision for any purpose for which the deposit of bonds or obligations of the State is authorized by law.

§10–843.

(a) A bond:

(1) is not:

(i) a debt or liability of the State or a political subdivision of the State; or

(ii) a pledge of the faith and credit of the State or a political subdivision of the State; and

(2) is payable solely from money available in accordance with this subtitle.

(b) Each bond shall state on its face that:

(1) the State and its political subdivisions are not obliged to pay the bond or the interest on the bond except from revenues of the project or the portion of the project for which the bond is issued; and

(2) the faith, credit, and taxing power of the State and its political subdivisions are not pledged to pay the principal of or the interest on the bond.

(c) The issuance of bonds does not directly, indirectly, or contingently obligate the State or its political subdivisions:

(1) to levy or pledge a tax to pay the bonds; or

(2) to make an appropriation to pay the bonds.

(d) This section does not prevent the Center from pledging its full faith and credit to pay bonds.

§10–844.

(a) The Center may:

(1) fix and collect rates, rents, fees, and charges for the use of a project and for the services furnished or to be furnished by a project; and

(2) contract with a person or governmental entity to exercise its authority under this section.

(b) The rates, rents, fees, and charges established by the Center under this section shall be fixed and adjusted so that the aggregate amount of the rates, rents, fees, and charges from the project, when added to other available money, is sufficient to:

(1) pay for maintaining, repairing, and operating the project;

(2) pay the principal of and the interest on the bonds that the Center issued for the project as they become due and payable; and

(3) create and maintain reserves required or provided for in a trust agreement.

(c) The rates, rents, fees, and charges established by the Center under this section are not subject to supervision or regulation by any unit of the State other than the Center.

§10–845.

(a) (1) Any pledge of revenues and other money under § 10–840(h) of this subtitle is valid and binding from the time the pledge is made.

(2) (i) The revenue or money that the Center pledges and receives is subject immediately to the lien of the pledge.

(ii) Neither physical delivery of the revenue or money nor any other act is required to validate the lien.

(3) The lien of the pledge is valid and binding against each party with a claim against the Center in tort, contract, or otherwise, regardless of whether the party has notice of the lien.

(b) The trust agreement and any other agreement or lease creating a pledge under this section need not be filed or recorded, except in the records of the Center.

§10–846.

(a) Proceeds from the sale of bonds and other revenues received under this subtitle are trust funds to be held and applied solely as provided in this subtitle.

(b) (1) Each officer, bank, or trust company that receives money from the Center under this subtitle shall act as trustee of the money and shall hold and apply the money for the purposes specified under this subtitle.

(2) The officer, bank, or trust company holding money is subject to:

(i) any regulation adopted under this subtitle; and

(ii) the trust agreement securing the bonds.

§10–847.

(a) (1) The Center may issue bonds to refund outstanding bonds of the Center, including paying:

(i) any redemption premium;

(ii) interest accrued or to accrue to the date of redemption, purchase, or maturity of the bonds; and

(iii) if considered advisable by the Center, any part of the cost of acquiring or improving a project.

(2) Refunding bonds may be issued for any corporate purpose, including:

(i) realizing savings in the effective costs of debt service, directly or through a debt restructuring; or

(ii) alleviating a potential or actual default.

(b) A refunding bond that the Center issues under this section shall be issued in the same manner and is subject to this subtitle to the same extent as any other bond.

(c) (1) The Center may issue refunding bonds in one or more series in an amount greater than the amount of the bonds to be refunded.

(2) (i) In addition to other sources of payment that the Center determines, refunding bonds may be payable from escrowed bond proceeds and earnings and profits on investments.

(ii) Escrowed bond proceeds and earnings and profits on investments used under subparagraph (i) of this paragraph constitute revenues of a project under this subtitle.

§10–848.

(a) The Center may issue negotiable bond anticipation notes in anticipation of the sale of bonds for any corporate purpose.

(b) Bond anticipation notes issued under this section shall be issued in the same manner as bonds.

(c) Bond anticipation notes issued under this section and the resolution authorizing them may contain any provisions, conditions, or limitations that may be included in a trust agreement.

(d) The Center may issue bond anticipation notes to pay any other bond anticipation notes.

(e) Bond anticipation notes shall be paid from:

(1) revenues of the Center;

(2) money available and not otherwise pledged; or

(3) the proceeds of the sale of the bonds in anticipation of which the notes

were issued.

§10–849.

(a) The Center shall convey title to a project and release collateral in accordance with this section when the following conditions are met:

(1) (i) the principal of and interest on bonds issued to finance the project, including any refunding bonds, have been fully paid and retired; or

(ii) adequate provision has been made to fully pay and retire the bonds;

(2) all other conditions of the trust agreement have been satisfied; and

(3) the lien of the trust agreement has been released.

(b) On satisfaction of the conditions under subsection (a) of this section, the Center promptly shall execute any deeds, conveyances, releases, and documents and take any other action necessary to convey title to the project to the participating institution and release collateral free of all liens and encumbrances created through the Center.

§10–850.

(a) A bondholder, a holder of any coupons attached to bonds, or a trustee under a trust agreement securing the bonds may sue to:

(1) protect and enforce rights under the laws of the State or a trust agreement; and

(2) enforce and compel the performance of duties by the Center or its officer, employee, or agent that this subtitle or a trust agreement requires, including fixing and collecting rates, rents, fees, and charges that the trust agreement requires.

(b) The rights under this section are subject to any trust agreement.

§10–851.

(a) The Center, its agent, or its lessee is not required to pay a tax or assessment on:

(1) a project or property that it acquires or uses under this subtitle; or

(2) the income from that project or property.

(b) The principal of and interest on bonds, the transfer of bonds, and any income derived from the bonds, including profits made in their sale or transfer, are forever exempt from all State and local taxes.

§10–854.

This subtitle may be cited as the "Maryland Clean Energy Center Act".

§10–901.

(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 Public–Private Partnership Marketing Corporation.

§10–902.

(a) There is a Maryland Public–Private Partnership Marketing Corporation.

(b) The Corporation is a body politic and corporate and is an instrumentality of the State.

(c) The purposes of the Corporation are to:

(1) create a branding strategy for the State;

(2) market the State's assets to out–of–state businesses;

(3) recruit out–of–state businesses to locate and grow in the State; and

(4) foster public–private partnerships that encourage location and development of new businesses in the State.

§10–903.

(a) A Board of Directors shall manage the Corporation and its units and exercise the corporate powers of the Board of Directors.

(b) The Board consists of the following 18 members:

(1) the Secretary;

(2) the Executive Director of the Department;

(3) (i) one member of the Senate of Maryland, who shall be a nonvoting member of the Board, designated by the President of the Senate; and

(ii) one member of the House of Delegates, who shall be a nonvoting member of the Board, designated by the Speaker of the House; and

(4) the following 14 members, appointed by the Governor with the advice

and consent of the Senate:

(i) three representing businesses in the State;

(ii) two representing labor in the State;

(iii) two representing not–for–profit organizations in the State;

(iv) three with expertise in marketing or advertising;

(v) one with expertise in public relations and communications; and

(vi) three with expertise in economic development.

(c) Each member of the Board shall reside in the State.

(d) In making appointments to the Board, the Governor shall consider diversity and all geographic regions of the State.

(e) A member of the Board:

(1) may not receive compensation as a member of the Board; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) (1) The term of an appointed member is 4 years.

(2) The terms of the appointed members are staggered as required by the terms provided for members on October 1, 2015.

(3) At the end of a term, an appointed member continues to serve until a successor is appointed and qualifies.

(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(g) The Governor may remove an appointed member for incompetence, misconduct, or failure to perform the duties of the position.

(h) The Board shall elect a chair from among the members of the Board.

(i) The Board may act with an affirmative vote of nine board members.

§10–904.

(a) The Corporation shall employ an Executive Director.

(b) The Executive Director shall have experience with and possess

qualifications relevant to the activities and purposes of the Corporation.

§10–905.

(a) In this section, "Fund" means the Economic Development Marketing Fund.

(b) There is an Economic Development Marketing Fund.

(c) The Corporation shall administer the Fund.

(d) (1) The Fund is a special, nonlapsing revolving fund that is not subject to reversion under § 7–302 of the State Finance and Procurement Article.

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

(e) The Fund consists of:

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

(2) money made available to the Fund through federal programs or private contributions;

(3) money derived by the Corporation from the sale of advertising, publications, sponsorships, or other promotional or marketing opportunities; or

(4) any other money made available to the Corporation for the Fund.

(f) (1) The Fund may be used only to market the State as a location for businesses to locate, retain, or expand their operations through any of the following means:

(i) Web site management;

(ii) media content creation;

(iii) social media outreach;

(iv) electronic mail marketing to promote events and opportunities for businesses;

(v) collateral and display development;

(vi) event management; and

(vii) any other approaches the Corporation determines to be appropriate.

(2) The Corporation may conduct these activities directly or through

contract providers.

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

(2) Any investment earnings of the Fund shall be paid into the Fund.

(h) Nothing in this section may be construed to prevent the Department from expending funds appropriated in the State budget to the Department directly for marketing purposes.

§10–906.

(a) The Attorney General is the legal advisor to the Corporation.

(b) With the approval of the Attorney General, the Corporation may retain any necessary lawyers.

§10–907.

The Corporation may retain any necessary accountants, financial advisors, or other consultants.

§10–908.

(a) Except as provided in subsections (b), (c), and (e) of this section, the Corporation is exempt from:

(1) Title 10 and Division II of the State Finance and Procurement Article; and

(2) §§ 3–301 and 3–303 of the General Provisions Article.

(b) The Corporation is subject to the Public Information Act.

(c) The Board and the officers and employees of the Corporation are subject to the Public Ethics Law.

(d) The officers and employees of the Corporation are not subject to the provisions of Division I of the State Personnel and Pensions Article that govern the State Personnel Management System.

(e) The Corporation, the Board, and the employees of the Corporation are subject to Title 12, Subtitle 4 of the State Finance and Procurement Article.

§10–909.

The Corporation may:

(1) adopt bylaws for the conduct of its business;

(2) adopt a seal;

(3) maintain offices at a place in the State that the Corporation designates;

(4) accept loans, grants, or assistance of any kind from the federal or State government, local government, a college or university, or a private source;

(5) accept assistance from the Maryland Economic Development Corporation;

(6) enter into contracts and other legal instruments;

(7) sue or be sued;

(8) 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;

(9) sell, lease as lessor, transfer, license, assign, or dispose of property or a property interest that the Corporation acquires;

(10) fix and collect rates, rentals, fees, royalties, and charges for services and resources the Corporation provides or makes available; and

(11) do all things necessary or convenient to carry out the powers granted by this subtitle.

§10–910.

The Corporation is exempt from State and local taxes.

§10–911.

The books and records of the Corporation are subject to audit:

(1) at any time by the State; and

(2) each year by an independent auditor that the Office of Legislative Audits approves.

§10–912.

(a) On or before October 1 of each year, the Corporation shall report to the

Governor, the Secretary, and, in accordance with § 2–1246 of the State Government Article, the General Assembly.

(b) The report shall include a complete operating and financial statement covering the Corporation's operations and a summary of the Corporation's activities during the preceding fiscal year.

§11–201.

In this subtitle, "Council" means the Maryland Military Installation Council.

§11–202.

There is a Maryland Military Installation Council.

§11–203.

(a) The Council consists of the following members:

(1) three members selected by the President of the Senate of Maryland to represent community interests, of which:

(i) one shall be a member of the Senate; and

(ii) two shall be citizens representing communities adjacent to military installations;

(2) three members selected by the Speaker of the House of Delegates to represent community interests, of which:

(i) one shall be a member of the House of Delegates; and

(ii) two shall be citizens representing communities adjacent to military installations;

(3) the Secretary, or the designee of the Secretary;

(4) the Secretary of Transportation, or the designee of the Secretary of Transportation;

(5) the Secretary of the Environment, or the designee of the Secretary of the Environment;

(6) the Secretary of Planning, or the designee of the Secretary of Planning;

(7) the Secretary of Veterans Affairs, or the designee of the Secretary of Veterans Affairs;

(8) the Adjutant General of the Maryland National Guard, or the designee

of the Adjutant General;

(9) the President of the Southern Maryland Navy Alliance;

(10) the President of the Army Alliance;

(11) the President of the Indian Head Defense Alliance;

(12) the President of the Maritime Alliance;

(13) the President of the Fort Detrick Alliance;

(14) the President of the Fort Meade Alliance;

(15) the President of the Andrews Business and Community Alliance; and

(16) five members selected by the Governor.

(b) (1) The President of the Senate and the Speaker of the House of Delegates shall each appoint three members representing community interests to serve as members of the Council.

(2) The chair may appoint:

(i) additional members who are presidents of other military base advocacy groups that are not–for–profit organizations and recognized by the Department; and

(ii) ex officio members as necessary to address specific issues, including a representative of the Maryland National Guard.

(c) (1) The term of an appointed member is 4 years.

(2) The terms of the appointed members are staggered as required by the terms provided for appointed members of the Council on July 1, 2010.

(d) A member of the Council:

(1) may not receive compensation as a member of the Council; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

§11–204.

The Governor shall designate the chair of the Council.

§11–205.

The Department shall provide staff support to the Council.

§11–206.

The Council shall make reasonable efforts to:

(1) identify the public infrastructure and other community support necessary to improve the mission efficiencies and for the development and expansion of existing military installations in the State;

(2) identify the existing and potential impacts of encroachment on military installations in the State;

(3) identify potential State and community actions that may minimize the impacts of encroachment and enhance the long–term potential of military installations;

(4) identify opportunities for collaboration among military contractors, local governments, the State, academic institutions, and military departments to enhance the economic potential of military installations and the economic benefits of military installations to the State;

(5) review State policies, including funding and legislation, to identify actions necessary to provide State and local government support to the mission of each military installation in the State; and

(6) research how other jurisdictions have addressed the issues regarding encroachment and partnership formation, with an emphasis on the most recent edition of the joint publication of the National Governors Association Center for Best Practices and the United States Department of Defense entitled "Practical Guide to Compatible Civilian Development Near Military Installations".

§11–207.

On or before December 31 of each year, the Council shall report its findings and recommendations to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly.

§11–301.

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

(b) (1) "Authority" means a corporation incorporated in accordance with this subtitle to act as a local redevelopment authority in accordance with criteria set by the United States Department of Defense or its military services under the federal Defense Base Closure and Realignment Act of 1990.

(2) "Authority" does not include:

(i) Bainbridge Development Corporation;

(ii) Holabird Working Group/Baltimore Development Corporation (BDC); or

(iii) PenMar Development Corporation.

(c) "Board" means the Board of Directors of an authority.

(d) (1) "Bond" means a bond or note issued on behalf of an authority under this subtitle.

(2) "Bond" includes:

(i) a bond anticipation note;

(ii) a revenue anticipation note;

(iii) a grant anticipation note;

(iv) a refunding bond;

(v) a note in the nature of commercial paper; and

(vi) any other evidence of indebtedness issued on behalf of the authority, whether a general or limited obligation of the authority.

(e) "Cost" includes:

(1) the purchase price of a project;

(2) the cost to acquire any right, title, or interest in a project;

(3) the amount to be paid to discharge each obligation necessary or desirable to vest title to any part of a project in the authority or other owner;

(4) the cost of any improvement;

(5) the cost of any property, right, easement, franchise, and permit;

(6) the cost of labor and equipment;

(7) financing charges;

(8) interest before and during construction and, if the authority determines, for a limited period after the completion of construction;

(9) reserves for principal and interest and for improvements;

(10) the cost of revenue estimates, engineering and legal services, plans, designs, specifications, surveys, investigations, demonstrations, studies, estimates of cost, and other expenses necessary or incident to determining the feasibility of an acquisition or improvement;

(11) administrative expenses; and

(12) other expenses necessary or incident to:

(i) financing a project;

(ii) acquiring and improving a project;

(iii) placing a project in operation, including reasonable provision for working capital; and

(iv) operating and maintaining a project.

(f) "Finance" includes refinance.

(g) "Improve" means to add, alter, construct, equip, expand, extend, improve, install, reconstruct, rehabilitate, remodel, or repair.

(h) "Improvement" means addition, alteration, construction, equipping, expansion, extension, improvement, installation, reconstruction, rehabilitation, remodeling, or repair.

(i) (1) "Person" has the meaning stated in § 9-101 of this article.

(2) "Person" also includes a political subdivision.

(j) (1) "Project" means an undertaking to establish economic activity under this subtitle on property to be conveyed to an authority by the United States Department of Defense or a military service, whether or not a facility or property used or useful in connection with the undertaking:

(i) is or will be used for profit or not for profit;

(ii) is located on a single site or multiple sites; or

(iii) may be financed by bonds, the interest on which is exempt from taxation under federal law.

(2) "Project" includes:

(i) property and rights related to the property, appurtenances, rights-of-way, franchises, and easements;

(ii) structures, equipment, and furnishings;

(iii) property that is functionally related and subordinate to the project; and

(iv) patents, licenses, and other rights necessary or useful in the improvement or operation of a project.

(k) (1) "Revenues" means the income, revenue, and other money an authority receives from or in connection with a project.

(2) "Revenues" includes grants, rentals, rates, fees, and charges for the use of the services furnished or available.

§11–302.

(a) The General Assembly finds that:

(1) the economy of the State and its local governments will be greatly impacted by the closure or realignment of any military installation through any base realignment or closing action;

(2) although a closure or realignment will result in economic contraction and dislocation, it also affords opportunities to expand productive employment and expand the State's economy and tax base;

(3) for this reason, the General Assembly enacted the Maryland Military Installation Strategic Planning Council Act; and

(4) the establishment of State–chartered public corporations to develop military installations slated for closure or realignment in the State would:

(i) serve the public interest;

(ii) complement existing State marketing programs administered by the Department through:

1. its Division of Business Development; and

2. financial assistance programs such as those of the Maryland Economic Development Assistance Authority and Fund and the Maryland Industrial Development Financing Authority; and

(iii) serve as an additional means to achieve the mission of the Maryland Military Installation Council.

(b) The General Assembly intends that:

(1) an authority structure its projects to accelerate the transfer of facilities

and sites from the federal government into productive reuse of the facilities and sites to maximize economic opportunities for the residents of the State; and

(2) this subtitle be a template for the structure, authorization, and operation of each authority accepted by the Office of Economic Adjustment of the United States Department of Defense to perform the tasks required when land is transferred from the federal government to an authority in accordance with the federal Defense Base Closure and Realignment Act of 1990.

§11–303.

This subtitle is self-executing and fully authorizes the Secretary to create a local redevelopment authority.

§11–304.

(a) The Secretary shall execute and file proposed articles of incorporation of an authority with the State Department of Assessments and Taxation.

(b) The proposed articles of incorporation shall state:

(1) the name of the authority;

(2) that the authority is formed under this subtitle;

(3) the names, addresses, and terms of office of the first members of the Board of the authority;

(4) the location of the principal office of the authority;

(5) the purposes for which the authority is formed; and

(6) the powers of the authority, subject to the restrictions or limitations on the powers of the authority under this subtitle.

(c) Acceptance of the articles for record by the State Department of Assessments and Taxation is conclusive evidence of the formation of the authority.

(d) (1) The Board may amend the articles of incorporation.

(2) Any amendment to the articles of incorporation shall be filed with the State Department of Assessments and Taxation.

§11–305.

(a) An authority is a body politic and corporate and is an instrumentality of the State once the State Department of Assessments and Taxation accepts the articles of incorporation for record.

(b) The exercise by an authority of a power under this subtitle is the performance of an essential governmental function.

§11–306.

(a) A Board of Directors shall manage the affairs of the authority and exercise all of the powers of the authority.

(b) The Board consists of the following members:

(1) as ex officio members:

(i) the Secretary, or the designee of the Secretary;

(ii) the Secretary of General Services, or the designee of the Secretary of General Services;

(iii) the Secretary of Planning, or the designee of the Secretary of Planning; and

(iv) the president of the military alliance of each county in which the facility is located;

(2) (i) if the facility is located in one county, the executive director, or equivalent officer, of the county economic development unit and two other members appointed by the governing body of the county in which the facility is located; or

(ii) if the facility is located in more than one county, the executive director, or equivalent officer, of the economic development unit of each county and one other member appointed by the governing body of each county; and

(3) as nonvoting, ex officio members:

(i) the Executive Director of the Maryland Economic Development Corporation;

(ii) the Executive Director of the authority; and

(iii) the Director of Transitional Services of the State Department of Human Resources.

(c) (1) The term of a member of the Board appointed under subsection (b)(2) of this section is 4 years.

(2) The terms of appointed members shall be staggered.

(3) At the end of a term, a member continues to serve until a successor is appointed.

(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed.

§11–307.

From among its members, the Board shall elect a chair, a vice chair, and a treasurer.

§11–308.

A majority of the voting Board members serving at the time is a quorum.

§11–309.

(a) (1) The Board shall establish a finance committee.

(2) The treasurer of the Board chairs the finance committee and oversees the finances of the authority.

(b) (1) The Board may establish other committees as appropriate.

(2) The membership of a committee may include individuals who are not Board members.

§11–310.

(a) (1) The Board shall appoint the Executive Director of the authority.

(2) The Executive Director serves at the pleasure of the Board.

(3) The Board shall determine the salary of the Executive Director.

(b) (1) The Executive Director is the chief operating officer of the authority.

(2) The Executive Director shall manage the administrative affairs and technical activities of the authority in accordance with policies and procedures that the Board establishes.

(c) The Executive Director shall:

(1) attend all meetings of the Board;

(2) act as secretary to the Board;

(3) keep minutes of the proceedings of the Board;

(4) approve salaries, per diem payments, allowable expenses of the authority and its employees or consultants, and any expenses incidental to the operation of the authority; and

(5) perform the other duties that the Board directs in carrying out this subtitle.

§11–311.

(a) The Board shall approve additional professional and clerical staff as necessary to carry out this subtitle.

(b) The Board may retain accountants, engineers, lawyers, financial advisors, or other consultants as necessary to carry out this subtitle.

§11–312.

(a) Except as otherwise provided in this section, in exercising its corporate powers, the authority:

(1) may carry out its corporate purposes without obtaining the consent of any State unit; and

(2) is not subject to the following provisions of the State Finance and Procurement Article:

(i) Title 2, Subtitles 2 (Gifts and Grants), 4 (Facsimile Signatures and Seals), and 5 (Facilities for Handicapped);

(ii) Title 3 (Budget and Management);

(iii) Title 4 (Department of General Services);

(iv) Title 6, Subtitle 1 (Revenues: Studies and Estimates);

(v) Title 7, Subtitles 1 (State Operating Budget), 2 (Disbursements and Expenditures), and 3 (Unspent Balances);

(vi) Title 8, Subtitle 1 (General Obligation Debt);

(vii) Title 10 (Board of Public Works - Miscellaneous Provisions); and

(viii) Division II (General Procurement Law).

(b) (1) The authority and its committees are subject to the Open Meetings Act.

(2) The authority is subject to the Public Information Act.

(c) The officers and employees of the authority are subject to the Maryland Public Ethics Law.

(d) The officers and employees of the authority are not subject to:

(1) Division II of the State Personnel and Pensions Article; or

(2) the provisions of Division I of the State Personnel and Pensions Article that govern the State Personnel Management System.

(e) The authority is subject to the same State and local regulations and regulatory requirements as any private corporation.

(f) A project of the authority is subject to the zoning and subdivision regulations of the political subdivision where the project is located.

§11–313.

(a) The authority shall establish a system of financial accounting, controls, audits, and reports.

(b) The fiscal year of the authority begins on July 1 and ends on the following June 30.

§11–314.

(a) The authority may establish any accounts that it requires.

(b) The authority shall deposit its money into a State or national bank or a federally insured savings and loan association in the State that has a total paid-in capital of at least $1,000,000.

(c) The authority may designate the trust department of a State or national bank or of a savings and loan association as a depository to receive securities that the authority owns or acquires.

(d) Unless an agreement limits classes of investments, the authority may invest its money in bonds or other obligations of, or guaranteed as to principal and interest by, the United States, a unit of the United States, the State, or a political subdivision of the State.

§11–315.

The authority may:

(1) adopt bylaws for the conduct of its business;

(2) adopt a seal;

(3) maintain offices in the State;

(4) accept loans, grants, or assistance of any kind from the federal or State government, a local government, or a private source;

(5) enter into contracts and other legal instruments;

(6) sue and be sued in its own name;

(7) acquire, purchase, hold, lease as lessee, and use any franchise, patent, or license and real, personal, mixed, tangible, or intangible property, or any interest in property, necessary or convenient to carry out its purposes;

(8) sell, lease as lessor, transfer, and dispose of its property or interest in property;

(9) fix and collect rates, rentals, fees, and charges for services and facilities the authority provides or makes available;

(10) with the owner's permission, enter land, waters, or premises to make a survey, sounding, boring, or examination to accomplish a purpose authorized by this subtitle;

(11) exercise a power usually possessed by a private corporation in performing similar functions, unless to do so would conflict with State law or unless the action or decision of the authority would impose liability on the State or any county; and

(12) do all things necessary or convenient to carry out the powers expressly granted by this subtitle.

§11–316.

The authority may:

(1) acquire, improve, develop, manage, market, lease as lessor or lessee, operate, and maintain a project; and

(2) acquire, either directly or by or through an agreement with the United States Department of Defense or a military service, by purchase or otherwise, any property, rights, rights-of-way, franchises, easements, and other interests in land, including land lying under water and riparian rights located in or outside the State as necessary or convenient to improve or operate a project on terms and at prices that the authority considers to be reasonable.

§11–317.

The authority may:

(1) borrow money to finance costs of a project or for any other corporate purpose of the authority;

(2) mortgage or otherwise encumber its property or revenues for the loan;

and

(3) combine projects for financing.

§11–318.

To carry out this subtitle, the Maryland Economic Development Corporation may issue bonds from time to time on behalf of the authority to finance costs of a project.

§11–319.

An obligation of the authority is not a debt, liability, or pledge of the full faith and credit of the State or any county.

§11–320.

(a) The authority may:

(1) lend or otherwise make available its net revenue to finance costs of a project; and

(2) enter into a financing agreement, mortgage, or other instrument that it determines is necessary or desirable to evidence or secure the loan.

(b) A lease of property of the authority may require or authorize the lessee or another person, on conveyance of the property to the authority, to purchase or otherwise acquire the property for consideration that the authority establishes.

§11–321.

(a) The authority may:

(1) fix and collect rates or charges for its services;

(2) establish the terms and conditions for the services; and

(3) contract with a person for the provision of the services of the authority.

(b) The rates or charges of the authority are not subject to supervision or regulation by any other unit of the State or by a political subdivision of the State.

(c) Subject to any agreement, the authority may apply its revenues to any lawful purpose.

(d) Except as necessary to pay an obligation or to implement programs of the authority, the net revenue of the authority may not benefit a person other than the county or counties in which the facility is located.

§11–322.

(a) Except as provided in subsection (b) of this section, the authority is exempt from any requirement to pay any taxes or assessments on its properties, activities, or any revenue from its properties or activities.

(b) Property that the authority sells or leases to a private entity is subject to State and local property taxes from the time of the sale or lease.

§11–323.

(a) (1) As soon as practical after the close of the fiscal year, an independent certified public accountant shall audit the financial books, records, and accounts of the authority.

(2) The finance committee of the authority shall select an accountant to conduct the audit who:

(i) is licensed to practice accountancy in the State;

(ii) is experienced and qualified in the accounting and auditing of public bodies; and

(iii) does not have a direct or indirect interest in the fiscal affairs of the authority.

(3) (i) Except as provided in subparagraph (ii) of this paragraph, the accountant shall report the results of the audit, including the accountant's unqualified opinion on the presentation of the financial position and the results of the financial operations of the authority.

(ii) If the accountant cannot express an unqualified opinion, the accountant shall explain in detail the reasons for the qualifications, disclaimers, or opinions, including recommendations of changes that could make future unqualified opinions possible.

(b) The State may audit the books, records, and accounts of the authority.

§11–324.

(a) On or before October 1 of each year, the authority shall submit a report to:

(1) the Governor;

(2) the governing body of each county in which the facility is located;

(3) the Department; and

(4) in accordance with § 2-1246 of the State Government Article, the

General Assembly.

(b) The report shall include a complete operating and financial statement and a summary of the activities of the authority during the preceding fiscal year.

§11–325.

This subtitle may be cited as the Maryland Local Military Installation Redevelopment Authority Act.

§11–401.

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

(b) "Board" means the Board of Directors of the Corporation.

(c) (1) "Bond" means a bond or note issued on behalf of the Corporation.

(2) "Bond" includes:

(i) a bond anticipation note;

(ii) a revenue anticipation note;

(iii) a grant anticipation note;

(iv) a refunding bond;

(v) a note in the nature of commercial paper; and

(vi) any other evidence of indebtedness issued on behalf of the Corporation, whether a general or limited obligation of the Corporation.

(d) "Corporation" means the Bainbridge Development Corporation.

(e) "Cost" includes:

(1) the purchase price of a project;

(2) the cost to acquire any right, title, or interest in a project;

(3) the amount to be paid to discharge each obligation necessary or desirable to vest title to any part of a project in the Corporation or other owner;

(4) the cost of any improvement;

(5) the cost of any property, right, easement, franchise, and permit;

(6) the cost of labor and equipment;

(7) financing charges;

(8) interest before and during construction and, if the Corporation determines, for a limited period after the completion of construction;

(9) reserves for principal and interest and for improvements;

(10) the cost of revenue estimates, engineering and legal services, plans, designs, specifications, surveys, investigations, demonstrations, studies, estimates of cost, and other expenses necessary or incident to determining the feasibility of an acquisition or improvement of a project;

(11) administrative expenses; and

(12) other expenses necessary or incident to:

(i) financing a project;

(ii) acquiring, improving, and marketing a project;

(iii) placing a project in operation, including reasonable provision for working capital; and

(iv) operating and maintaining a project.

(f) "County Commissioners" means the Board of County Commissioners of Cecil County.

(g) "Finance" includes refinance.

(h) "Improve" means to add, alter, construct, equip, expand, extend, improve, install, reconstruct, rehabilitate, remodel, or repair.

(i) "Improvement" means addition, alteration, construction, equipping, expansion, extension, improvement, installation, reconstruction, rehabilitation, remodeling, or repair.

(j) (1) "Person" has the meaning stated in § 9-101 of this article.

(2) "Person" also includes a political subdivision.

(k) (1) "Project" means an undertaking to establish economic activity on property conveyed to the Corporation known as the Bainbridge Naval Training Center, including the historic Tome School for Boys, at Port Deposit, Maryland, whether or not a facility or property used or useful in connection with the undertaking may be financed by bonds, the interest on which is exempt from taxation under federal law.

(2) "Project" includes:

(i) property and rights related to the property, appurtenances, rights-of-way, franchises, and easements;

(ii) infrastructure, equipment, and furnishings;

(iii) property that is functionally related and subordinate to a project; and

(iv) patents, licenses, and other rights necessary or useful in the construction or operation of a project.

(l) (1) "Revenues" means:

(i) the income, revenue, and other money the Corporation receives from or in connection with a project; and

(ii) all other income of the Corporation.

(2) "Revenues" includes grants, rentals, rates, fees, and charges for the use of services furnished or available.

§11–402.

(a) There is a Bainbridge Development Corporation.

(b) The Corporation is a body politic and corporate and is an instrumentality of the State.

(c) The exercise by the Corporation of a power under this subtitle is the performance of an essential governmental function.

§11–403.

(a) A Board of Directors shall manage the affairs of the Corporation and exercise all of the powers of the Corporation.

(b) The Board consists of the following 15 members:

(1) eight members appointed by the County Commissioners as follows:

(i) two members recommended by the Mayor and Town Council of Port Deposit;

(ii) two members recommended by the State legislative delegation of Cecil County; and

(iii) four members at large;

(2) the Director of the Cecil County Department of Economic

Development; and

(3) six nonvoting ex officio members as follows:

(i) the Secretary, or the designee of the Secretary;

(ii) the Secretary of General Services, or the designee of the Secretary of General Services;

(iii) the Executive Director of the Maryland Economic Development Corporation;

(iv) the Director of the Maryland Historical Trust;

(v) the President of the County Commissioners; and

(vi) the Mayor of Port Deposit.

(c) (1) The term of a member of the Board appointed under subsection (b)(1) of this section is 4 years.

(2) The terms of appointed members are staggered as required by the terms provided for members of the Board on October 1, 2008.

(3) At the end of a term, a member continues to serve until a successor is appointed.

(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed.

§11–404.

From among its members, the Board shall elect a chair, a vice chair, and a treasurer.

§11–405.

(a) Five members of the Board are a quorum.

(b) An affirmative vote of at least five members is needed for the Board to act.

§11–406.

(a) (1) Subject to the approval of the County Commissioners, the Board shall appoint an Executive Director.

(2) The Executive Director serves at the pleasure of the Board.

(3) The Board shall determine the salary of the Executive Director.

(b) (1) The Executive Director is the chief administrative officer of the Corporation.

(2) The Executive Director shall manage the administrative affairs and technical activities of the Corporation in accordance with policies and procedures that the Board establishes.

(c) The Executive Director, or the Executive Director's designee, shall:

(1) attend all meetings of the Board;

(2) act as secretary to the Board;

(3) keep minutes of the proceedings of the Board;

(4) approve salaries, per diem payments, allowable expenses of the Corporation and its employees or consultants, and any expenses incidental to the operation of the Corporation; and

(5) perform the other duties that the Board directs in carrying out this subtitle.

§11–407.

(a) The Board shall approve additional professional and clerical staff as necessary to carry out this subtitle.

(b) The Board may retain accountants, engineers, lawyers, financial advisors, or other consultants as necessary to carry out this subtitle.

§11–408.

(a) Except as otherwise provided in this section, in exercising its corporate powers, the Corporation:

(1) may carry out its corporate purposes without obtaining the consent of any other State unit; and

(2) is not subject to:

(i) §§ 3–301 and 3–303 of the General Provisions Article (Open Meetings);

(ii) Title 11 of the State Government Article (Consolidated Procedures for Development Permits); and

(iii) the following provisions of the State Finance and Procurement Article:

1. Title 2, Subtitles 2 (Gifts and Grants), 4 (Facsimile Signatures and Seals), and 5 (Facilities for Handicapped);

2. Title 3 (Budget and Management);

3. Title 4 (Department of General Services);

4. § 5A–304 (Maryland Historical Trust Property Acquisition);

5. Title 6, Subtitle 1 (Revenues: Studies and Estimates);

6. Title 7, Subtitles 1 (State Operating Budget), 2 (Disbursements and Expenditures), and 3 (Unspent Balances);

7. Title 8, Subtitle 1 (General Obligation Debt);

8. Title 10 (Board of Public Works – Miscellaneous Provisions); and

9. Division II (General Procurement Law).

(b) The Corporation is subject to the Public Information Act.

(c) The officers and employees of the Corporation are subject to the Maryland Public Ethics Law.

(d) The officers and employees of the Corporation are not subject to:

(1) Division II of the State Personnel and Pensions Article; or

(2) the provisions of Division I of the State Personnel and Pensions Article that govern the State Personnel Management System.

(e) The Corporation is subject to the same State and local regulatory requirements as any private corporation.

(f) A project of the Corporation is subject to the zoning and subdivision regulations of the political subdivision where the project is located.

§11–409.

(a) The Corporation shall establish a system of financial accounting, controls, audits, and reports.

(b) The fiscal year of the Corporation begins on July 1 and ends on the following June 30.

§11–410.

(a) The Corporation may establish any accounts that it requires.

(b) The Corporation shall deposit its money into a State or national bank or a federally insured savings and loan association in the State that has a total paid-in capital of at least $1,000,000.

(c) The Corporation may designate the trust department of a State or national bank or of a savings and loan association as a depository to receive securities that the Corporation owns or acquires.

(d) Unless an agreement limits classes of investments, the Corporation may invest its money in bonds or other obligations of, or guaranteed as to principal and interest by, the United States, the State, or a unit or political subdivision of the State.

§11–411.

The Corporation may:

(1) adopt bylaws for the conduct of its business;

(2) adopt a seal;

(3) maintain an office at the Bainbridge Naval Training Center;

(4) accept loans, grants, or assistance of any kind from the federal or State government, a local government, or a private source;

(5) enter into contracts and other legal instruments;

(6) sue and be sued in its own name;

(7) acquire, purchase, hold, lease as lessee, and use any franchise, patent, or license and real, personal, mixed, tangible, or intangible property, or any interest in property, necessary or convenient to carry out its purposes;

(8) sell, lease as lessor, transfer, and dispose of its property or interest in property;

(9) fix and collect rates, rentals, fees, and charges for services and facilities it provides or makes available;

(10) with the owner's permission, enter land, waters, or premises to make a survey, sounding, boring, or examination to accomplish a purpose authorized by this subtitle;

(11) exercise a 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 the powers expressly granted by this subtitle.

§11–412.

The Corporation may:

(1) acquire, improve, develop, manage, market, lease as lessor or lessee, operate, and maintain any project at the Bainbridge Naval Training Center; and

(2) acquire, either directly or by or through an agreement with the United States Navy, by purchase, gift, or devise, any property, rights, rights-of-way, franchises, easements, and other interests in land, including land lying under water and riparian rights located in or outside the State as necessary or convenient to improve or operate a project on terms and at prices that the Corporation considers reasonable.

§11–413.

The Corporation may:

(1) borrow money to finance costs of a project or for any other corporate purpose of the Corporation;

(2) secure the payment of the borrowing by pledge of or mortgage or deed of trust on property or revenues of the Corporation; and

(3) combine projects for financing.

§11–414.

To carry out this subtitle, the Maryland Economic Development Corporation may issue bonds from time to time on behalf of the Bainbridge Development Corporation to finance costs of a project.

§11–415.

An obligation of the Corporation is not a debt, liability, or pledge of the full faith and credit of the State.

§11–416.

The Corporation may:

(1) lend or otherwise make available its net revenue to finance costs of a project; and

(2) enter into a financing agreement, mortgage, or other instrument that it determines is necessary or desirable to evidence or secure the loan.

§11–417.

(a) The Corporation may:

(1) fix and collect rates or charges for its services;

(2) establish the terms and conditions for the services; and

(3) contract with a person for the provision of the services of the Corporation.

(b) The rates or charges of the Corporation are not subject to supervision or regulation by any other unit of the State or by a political subdivision of the State.

(c) Subject to any agreement, the Corporation may apply its revenues to any lawful purpose.

(d) Except as necessary to pay an obligation or to implement programs of the Corporation, the net revenue of the Corporation may not benefit a person other than Cecil County.

§11–418.

(a) Except as provided in subsection (b) of this section, the Corporation is exempt from any requirement to pay any taxes or assessments on its properties, activities, or any revenue from its properties or activities.

(b) Property that the Corporation sells or leases to a private entity is subject to State and local property taxes from the time of the sale or lease.

§11–419.

(a) The Board shall establish a Bainbridge Development Advisory Board.

(b) The Advisory Board consists of:

(1) a representative of the County Commissioners;

(2) the State legislative delegation of Cecil County;

(3) a representative of the Mayor of Port Deposit;

(4) a representative of the Town Council of Port Deposit;

(5) the President of Cecil Community College;

(6) the Superintendent of the Cecil County Public Schools;

(7) the Coordinator of the Lower Susquehanna Heritage Greenway; and

(8) other individuals the Board of Directors selects.

§11–420.

(a) (1) As soon as practical after the close of the fiscal year, an independent certified public accountant shall audit the financial books, records, and accounts of the Corporation.

(2) The Corporation shall select an accountant to conduct the audit who:

(i) is licensed to practice accountancy in the State;

(ii) is experienced and qualified in the accounting and auditing of public bodies; and

(iii) does not have a direct or indirect personal interest in the fiscal affairs of the Corporation.

(3) (i) Except as provided in subparagraph (ii) of this paragraph, the accountant shall report the results of the audit, including the accountant's unqualified opinion on the presentation of the financial position and the results of the financial operations of the Corporation.

(ii) If the accountant cannot express an unqualified opinion, the accountant shall explain in detail the reasons for the qualifications, disclaimers, or opinions, including recommendations of changes that could make future unqualified opinions possible.

(b) The State may audit the books, records, and accounts of the Corporation.

§11–421.

(a) On or before October 1 of each year, the Corporation shall submit a report to:

(1) the Governor;

(2) the County Commissioners;

(3) the Department; and

(4) in accordance with § 2-1246 of the State Government Article, the General Assembly.

(b) The report shall include a complete operating and financial statement covering the operations of the Corporation during the preceding fiscal year and a summary of the activities of the Corporation during the preceding fiscal year.

§11–501.

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

(b) "Board" means the Board of Directors of the Corporation.

(c) (1) "Bond" means a bond or note issued on behalf of the Corporation.

(2) "Bond" includes:

(i) a bond anticipation note;

(ii) a revenue anticipation note;

(iii) a grant anticipation note;

(iv) a refunding bond;

(v) a note in the nature of commercial paper; and

(vi) any other evidence of indebtedness issued on behalf of the Corporation, whether a general or limited obligation of the Corporation.

(d) "Corporation" means the PenMar Development Corporation.

(e) "Cost" includes:

(1) the purchase price of a project;

(2) the cost to acquire any right, title, or interest in a project;

(3) the amount to be paid to discharge each obligation necessary or desirable to vest title to any part of a project in the Corporation or other owner;

(4) the cost of any improvement;

(5) the cost of any property, right, easement, franchise, and permit;

(6) the cost of labor and equipment;

(7) financing charges;

(8) interest before and during construction and, if the Corporation determines, for a limited period after the completion of construction;

(9) reserves for principal and interest and for improvements;

(10) the cost of revenue estimates, engineering and legal services, plans, designs, specifications, surveys, investigations, demonstrations, studies, estimates

of cost, and other expenses necessary or incident to determining the feasibility of an acquisition or improvement;

(11) administrative expenses; and

(12) other expenses necessary or incident to:

(i) financing a project;

(ii) acquiring, improving, and marketing a project;

(iii) placing a project in operation, including reasonable provision for working capital; and

(iv) operating and maintaining a project.

(f) "County Commissioners" means the Board of County Commissioners of Washington County.

(g) "Finance" includes refinance.

(h) "Improve" means to add, alter, construct, equip, expand, extend, improve, install, reconstruct, rehabilitate, remodel, or repair.

(i) "Improvement" means addition, alteration, construction, equipping, expansion, extension, improvement, installation, reconstruction, rehabilitation, remodeling, or repair.

(j) (1) "Person" has the meaning stated in § 9-101 of this article.

(2) "Person" also includes a political subdivision.

(k) (1) "Project" means an undertaking to establish economic activity on property to be conveyed to the Corporation from the United States Army at Fort Ritchie, Maryland:

(i) for any industrial, commercial, or business purpose; and

(ii) whether or not a facility or property used or useful in connection with the undertaking:

1. is or will be used for profit or not for profit;

2. is located on a single site or multiple sites; or

3. may be financed by bonds, the interest on which is exempt from taxation under federal law.

(2) "Project" includes:

(i) property and rights related to the property, appurtenances, rights-of-way, franchises, and easements;

(ii) structures, equipment, and furnishings;

(iii) property that is functionally related and subordinate to a project; and

(iv) patents, licenses, and other rights necessary or useful in the construction or operation of a project.

(l) (1) "Revenues" means:

(i) the income, revenue, and other money the Corporation receives from or in connection with a project; and

(ii) all other income of the Corporation.

(2) "Revenues" includes grants, rentals, rates, fees, and charges for the use of services furnished or available.

§11–502.

(a) (1) The General Assembly finds that the economy of Washington County will be greatly affected by the closure of Fort Ritchie.

(2) The General Assembly recognizes that the closure will cause economic contraction and dislocation but will afford opportunities to expand productive employment and the State's economy and tax base.

(b) The General Assembly finds that establishing a State public corporation to develop Fort Ritchie would:

(1) serve the public interest; and

(2) complement existing State marketing programs administered by the Department through:

(i) its Division of Business Development; and

(ii) financial assistance programs such as those of the Maryland Economic Development Assistance Authority and Fund and the Maryland Industrial Development Financing Authority.

(c) To further the purposes of this subtitle, the General Assembly intends that the Corporation:

(1) structure its projects in a manner that accelerates the transfer of facilities and sites into productive use in the private sector; and

(2) cooperate with the County Commissioners in maximizing new economic opportunities for the residents of the State.

§11–503.

(a) There is a PenMar Development Corporation.

(b) The Corporation is a body politic and corporate and is an instrumentality of the State.

(c) The exercise by the Corporation of a power under this subtitle is the performance of an essential governmental function.

§11–504.

(a) A Board of Directors shall manage the affairs of the Corporation and exercise all of the powers of the Corporation.

(b) The Board consists of the following 18 members:

(1) as ex officio voting members:

(i) the Secretary;

(ii) the Executive Director of the Maryland Economic Development Corporation; and

(iii) the Executive Director of the Washington County Economic Development Commission; and

(2) fifteen members appointed by the County Commissioners.

(c) (1) The term of an appointed member of the Board is 4 years.

(2) The terms of appointed members are staggered as required by the terms provided for members of the Board on October 1, 2008.

(3) At the end of a term, a member continues to serve until a successor is appointed.

(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed.

§11–505.

From among its members, the Board shall elect a chair, a vice chair, and a treasurer.

§11–506.

(a) Eight members of the Board are a quorum.

(b) An affirmative vote of at least eight members is needed for the Board to act.

§11–507.

(a) (1) Subject to the approval of the County Commissioners, the Board shall appoint an Executive Director.

(2) The Executive Director serves at the pleasure of the Board.

(3) The Board shall determine the salary of the Executive Director.

(b) (1) The Executive Director is the chief administrative officer of the Corporation.

(2) The Executive Director shall manage the administrative affairs and technical activities of the Corporation in accordance with policies and procedures that the Board establishes.

(c) The Executive Director, or the Executive Director's designee, shall:

(1) attend all meetings of the Board;

(2) act as secretary of the Board;

(3) keep minutes of the proceedings of the Board;

(4) approve salaries, per diem payments, allowable expenses of the Corporation and its employees or consultants, and any expenses incidental to the operation of the Corporation; and

(5) perform the other duties that the Board directs in carrying out this subtitle.

§11–508.

(a) The Board shall approve additional professional and clerical staff as necessary to carry out this subtitle.

(b) The Board may retain accountants, engineers, lawyers, financial advisors, or other consultants as necessary to carry out this subtitle.

§11–509.

(a) Except as otherwise provided in this section, in exercising its corporate powers, the Corporation:

(1) may carry out its corporate purposes without obtaining the consent of any other State unit; and

(2) is not subject to:

(i) §§ 3–301 and 3–303 of the General Provisions Article (Open Meetings);

(ii) Title 11 of the State Government Article (Consolidated Procedures for Development Permits); and

(iii) the following provisions of the State Finance and Procurement Article:

1. Title 2, Subtitles 2 (Gifts and Grants), 4 (Facsimile Signatures and Seals), and 5 (Facilities for Handicapped);

2. Title 3 (Budget and Management);

3. Title 4 (Department of General Services);

4. § 5A–304 (Maryland Historical Trust Property Acquisition);

5. Title 6, Subtitle 1 (Revenues: Studies and Estimates);

6. Title 7, Subtitles 1 (State Operating Budget), 2 (Disbursements and Expenditures), and 3 (Unspent Balances);

7. Title 8, Subtitle 1 (General Obligation Debt);

8. Title 10 (Board of Public Works – Miscellaneous Provisions); and

9. Division II (General Procurement Law).

(b) The Corporation is subject to the Public Information Act.

(c) The officers and employees of the Corporation are subject to the Maryland Public Ethics Law.

(d) The officers and employees of the Corporation are not subject to:

(1) Division II of the State Personnel and Pensions Article; or

(2) the provisions of Division I of the State Personnel and Pensions Article that govern the State Personnel Management System.

(e) The Corporation is subject to the same State and local regulatory requirements as any private corporation.

(f) A project of the Corporation is subject to the zoning and subdivision regulations of the political subdivision where the project is located.

§11–510.

(a) The Corporation shall establish a system of financial accounting, controls, audits, and reports.

(b) The fiscal year of the Corporation begins on July 1 and ends on the following June 30.

§11–511.

(a) The Corporation may establish any accounts that it requires.

(b) The Corporation shall deposit its money into a State or national bank or a federally insured savings and loan association in the State that has a total paid-in capital of at least $1,000,000.

(c) The Corporation may designate the trust department of a State or national bank or of a savings and loan association as a depository to receive securities that the Corporation owns or acquires.

(d) Unless an agreement limits classes of investments, the Corporation may invest its money in bonds or other obligations of, or guaranteed as to principal and interest by, the United States, the State, or a unit or political subdivision of the State.

§11–512.

The Corporation may:

(1) adopt bylaws for the conduct of its business;

(2) adopt a seal;

(3) maintain an office at Fort Ritchie;

(4) accept loans, grants, or assistance of any kind from the federal or State government, a local government, or a private source;

(5) enter into contracts and other legal instruments;

(6) sue and be sued in its own name;

(7) acquire, purchase, hold, lease as a lessee, and use any franchise, patent, or license and real, personal, mixed, tangible, or intangible property, or any interest in property, necessary or convenient to carry out its purposes;

(8) sell, lease as lessor, transfer, and dispose of its property or interest in

property;

(9) fix and collect rates, rentals, fees, and charges for services and facilities it provides or makes available;

(10) with the owner's permission, enter land, waters, or premises to make a survey, sounding, boring, or examination to accomplish a purpose authorized by this subtitle;

(11) exercise a 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 the powers expressly granted by this subtitle.

§11–513.

The Corporation may:

(1) acquire, improve, develop, manage, market, lease as lessor or lessee, operate, and maintain any project at Fort Ritchie; and

(2) acquire, directly or through an agreement with the United States Army, by purchase, gift, or devise, any property, rights, rights-of-way, franchises, easements, and other interests in land, including land lying under water and riparian rights located in or outside the State as necessary or convenient to improve or operate a project on terms and at prices that the Corporation considers reasonable.

§11–514.

The Corporation may:

(1) borrow money to finance costs of a project or for any other corporate purpose of the Corporation;

(2) secure the payment of the borrowing by pledge of or mortgage or deed of trust on property or revenues of the Corporation; and

(3) combine projects for financing.

§11–515.

To carry out this subtitle, the Maryland Economic Development Corporation may issue bonds from time to time on behalf of the PenMar Development Corporation to finance costs of a project.

§11–516.

(a) The Corporation may:

(1) lend or otherwise make available its net revenue to finance costs of a project; and

(2) enter into a financing agreement, mortgage, or other instrument that it determines is necessary or desirable to evidence or secure the loan.

(b) A lease of property of the Corporation may require or authorize the lessee or another person, on conveyance of the property to the Corporation, to purchase or otherwise acquire the property for consideration that the Corporation establishes.

§11–517.

(a) The Corporation may:

(1) fix and collect rates or charges for its services;

(2) establish the terms and conditions for the services; and

(3) contract with a person for the provision of the services of the Corporation.

(b) The rates or charges of the Corporation are not subject to supervision or regulation by any other unit of the State or a political subdivision of the State.

(c) Subject to any agreement, the Corporation may apply its revenues to any lawful purpose.

(d) Except as necessary to pay an obligation or to implement programs of the Corporation, the net revenue of the Corporation may not benefit a person other than Washington County.

§11–518.

(a) Except as provided in subsection (b) of this section, the Corporation is exempt from any requirement to pay any taxes or assessments on its properties, activities, or any revenue from its properties or activities.

(b) Property that the Corporation sells or leases to a private entity is subject to State and local property taxes from the time of the sale or lease.

§11–519.

(a) (1) As soon as practical after the close of the fiscal year, an independent certified public accountant shall audit the financial books, records, and accounts of the Corporation.

(2) The Corporation shall select an accountant to conduct the audit who:

(i) is licensed to practice accountancy in the State;

(ii) is experienced and qualified in the accounting and auditing of public bodies; and

(iii) does not have a direct or indirect personal interest in the fiscal affairs of the Corporation.

(3) (i) Except as provided in subparagraph (ii) of this paragraph, the accountant shall report the results of the audit, including the accountant's unqualified opinion on the presentation of the financial position and the results of the financial operations of the Corporation.

(ii) If the accountant cannot express an unqualified opinion, the accountant shall explain in detail the reasons for the qualifications, disclaimers, or opinions, including recommendations of changes that could make future unqualified opinions possible.

(b) The State may audit the books, records, and accounts of the Corporation.

§11–520.

(a) On or before October 1 of each year, the Corporation shall submit a report to:

(1) the Governor;

(2) the County Commissioners;

(3) the Department; and

(4) in accordance with § 2-1246 of the State Government Article, the General Assembly.

(b) The report shall include a complete operating and financial statement covering the operations of the Corporation during the preceding fiscal year and a summary of the activities of the Corporation during the preceding fiscal year.

§12–101.

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

(b) "Authority" means an industrial development authority established in accordance with § 12-105 of this subtitle.

(c) (1) "Bond" means a revenue bond, note, or other instrument, certificate, or evidence of obligation that is issued and sold by a public body under this subtitle to finance a facility or to refund an outstanding bond.

(2) "Bond" includes:

(i) a bond anticipation note; and

(ii) a note in the nature of commercial paper.

(d) "Chief executive" means the president, chair, mayor, county executive, or any other chief executive officer of a public body.

(e) "Facility" means any land or an interest in land, structure, working capital, equipment, or other property, or any combination of them, the acquisition or improvement of which the legislative body of a county or municipal corporation, the board of directors of an authority, or the Maryland Industrial Development Financing Authority, in its sole discretion, determines by resolution will accomplish one or more of the legislative purposes listed in § 12-103(b) of this subtitle.

(f) "Facility applicant" means a person, public or private corporation, or other entity, whether for-profit or not-for-profit, that, by letter of intent or similar agreement with a public body, requests the public body to participate in financing a facility under this subtitle for use by a facility user.

(g) (1) "Facility user" means a person, public or private corporation, or other entity, whether for-profit or not-for-profit, that owns, leases, or uses all or part of a facility.

(2) "Facility user" may include a facility applicant.

(h) "Finance" includes refinance.

(i) (1) "Finance board" means a unit or instrumentality of a county or municipal corporation that is authorized by statute or charter to issue and sell bonds of the county or municipal corporation.

(2) "Finance board" does not include the legislative body of a county or municipal corporation.

(j) "Improve" means to add, alter, construct, equip, expand, extend, improve, install, reconstruct, rehabilitate, remodel, or repair.

(k) "Improvement" means addition, alteration, construction, equipping, expansion, extension, improvement, installation, reconstruction, rehabilitation, remodeling, or repair.

(l) "Public body" means:

(1) a county;

(2) a municipal corporation;

(3) an authority; or

(4) the Maryland Industrial Development Financing Authority.

(m) (1) "Public port" means the public ports and harbors on the Chesapeake Bay or the Isle of Wight Bay and their tributaries in the State.

(2) "Public port" includes:

(i) the Baltimore Harbor (the Patapsco River and its tributaries north and west of North Point and Bodkin Point);

(ii) the Port of Cambridge (the south side of the Choptank River between Hambrook's Bar and the Emerson C. Harrington Bridge); and

(iii) the Port of Crisfield (the Little Annemessex River east of James Island).

§12–102.

(a) This subtitle shall be liberally construed to accomplish its purposes.

(b) A facility is not a capital project of a public body within the meaning of any statutory or charter provision.

(c) This subtitle does not authorize a county or municipal corporation to acquire a facility by eminent domain.

§12–103.

(a) The General Assembly finds that:

(1) conditions of unemployment exist in many areas of the State;

(2) the acquisition and improvement of facilities are essential to relieve this unemployment and to establish a balanced economy in the State;

(3) the present and prospective health, happiness, safety, right of gainful employment, and general welfare of the residents of the State will be promoted by the acquisition and improvement of facilities;

(4) the control or abatement of pollution of the environment of the State, including noise pollution, is necessary to:

(i) retain existing industry and commerce in and attract new industry and commerce to the State;

(ii) protect the health, welfare, and safety of the residents of the State;

(iii) protect the natural resources of the State; and

(iv) encourage the economic development of the State; and

(5) (i) the public ports of the State are assets of value to the entire State;

(ii) the residents of the entire State benefit directly from the waterborne commerce that the public ports attract and service; and

(iii) any improvement of public ports that increases their export and import commerce will benefit the residents of the entire State.

(b) The legislative purposes of this subtitle are to:

(1) relieve conditions of unemployment in the State;

(2) encourage the increase of industry and commerce and a balanced economy in the State;

(3) assist in the retention of existing industry and commerce in, and the attraction of new industry and commerce to, the State through, among other things, the development of ports, the control or abatement of environmental pollution, and the use and disposal of waste;

(4) promote economic development;

(5) protect natural resources and encourage resource recovery; and

(6) promote the health, welfare, and safety of the residents of the State.

§12–104.

It is the policy of the State to allow the exercise of the powers granted by this subtitle even though the activities authorized may displace or limit free economic competition.

§12–105.

(a) To accomplish one or more of the legislative purposes listed in § 12-103(b) of this subtitle, the legislative body of a county or municipal corporation may adopt a resolution to create an industrial development authority in accordance with this subtitle.

(b) A resolution adopted under subsection (a), (f), or (g) of this section:

(1) is administrative in nature;

(2) is not subject to referendum; and

(3) in a county or municipal corporation that has a publicly elected chief executive, is subject to approval by the chief executive.

(c) Subsection (a) of this section is self-executing and fully authorizes a county or municipal corporation to establish an authority, notwithstanding any other statutory or charter provision.

(d) A resolution adopted under subsection (a) of this section shall include proposed articles of incorporation of the authority that state:

(1) the name of the authority, which shall be "Industrial Development Authority of (name of the incorporating county or municipal corporation)";

(2) that the authority is formed under this subtitle;

(3) the names, addresses, and terms of office of the initial members of the board of directors of the authority;

(4) the address of the principal office of the authority;

(5) the purposes for which the authority is formed; and

(6) the powers of the authority subject to the limitations on the powers of an authority under this subtitle.

(e) (1) The chief executive of the incorporating county or municipal corporation, or any other official designated in the resolution establishing the authority, shall execute and file the articles of incorporation of the authority for record with the State Department of Assessments and Taxation.

(2) When the State Department of Assessments and Taxation accepts the articles of incorporation for record, the authority becomes a body politic and corporate and an instrumentality of the incorporating county or municipal corporation.

(3) Acceptance of the articles of incorporation for record by the State Department of Assessments and Taxation is conclusive evidence of the formation of the authority.

(f) (1) By resolution, the legislative body of the incorporating county or municipal corporation may adopt an amendment to the articles of incorporation of the authority.

(2) Articles of amendment may contain any provision that lawfully could be contained in articles of incorporation at the time of the amendment.

(3) The articles of amendment shall be filed for record with the State Department of Assessments and Taxation.

(4) The articles of amendment are effective as of the time the State Department of Assessments and Taxation accepts the articles for record.

(5) Acceptance of the articles of amendment for record by the State Department of Assessments and Taxation is conclusive evidence that the articles have been lawfully and properly adopted.

(g) (1) Subject to the provisions of this section and any limitations imposed by law on the impairment of contracts, the incorporating county or municipal corporation, in its sole discretion, by resolution may:

(i) set or change the structure, organization, procedures, programs, or activities of the authority; or

(ii) terminate the authority.

(2) On termination of an authority:

(i) title to all property of the authority shall be transferred to and vest in the incorporating county or municipal corporation; and

(ii) all obligations of the authority shall be transferred to and assumed by the incorporating county or municipal corporation.

§12–106.

(a) (1) Subject to paragraph (4) of this subsection, the board of directors of an authority consists of five members appointed by the legislative body of the incorporating county or municipal corporation.

(2) Appointment procedures shall be provided in the resolution establishing the authority.

(3) (i) In a county or municipal corporation that has a publicly elected chief executive, the chief executive shall submit nominations for the initial board members.

(ii) The chief executive may nominate more than one individual for an initial board member position.

(4) An officer or employee of the incorporating county or municipal corporation may not be appointed to the board but, if provided by resolution, may serve as an ex officio, nonvoting member of the board.

(b) (1) (i) The initial five members of the board of directors of an authority shall be appointed for staggered terms, ranging from 1 to 5 years, respectively, beginning on the date the State Department of Assessments and Taxation accepts the articles of incorporation of the authority for record.

(ii) Except as provided for initial board members, the term of an appointed member is 5 years.

(2) At the end of a term, an appointed member continues to serve until a successor is appointed.

(3) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed.

(4) (i) In a county or municipal corporation that has a publicly elected chief executive, the chief executive shall submit nominations for vacancies on the board.

(ii) The chief executive may nominate more than one individual for a vacancy.

(c) (1) A member may be removed at any time with or without cause.

(2) Procedures for removal shall be those provided in the resolution establishing the authority or a subsequent resolution.

(d) (1) From among its members, the board shall elect a chair and other officers.

(2) An ex officio member may hold any office other than chair.

(e) (1) Three voting members of the board are a quorum.

(2) The board may act on a resolution only by the affirmative vote of at least three voting members.

(f) A member of the board:

(1) may not receive compensation as a member of the board; but

(2) shall be reimbursed for expenses incurred in performing the member's duties.

(g) The board shall exercise its powers by resolution.

§12–107.

(a) The board of directors of an authority shall govern the authority.

(b) Except as otherwise provided in this subtitle or the resolution establishing the authority, the procedures of the incorporating county or municipal corporation control any matter relating to the internal administration of the authority.

§12–108.

Except as necessary to pay debt service or implement the public purposes or programs of the incorporating county or municipal corporation, the net earnings of an authority may benefit only the incorporating county or municipal corporation and

may not benefit any person.

§12–109.

(a) (1) Except as limited by its articles of incorporation, an authority has all the powers set forth in this subtitle.

(2) An authority may:

(i) receive money from its incorporating county or municipal corporation, the State, other governmental units, or not–for–profit organizations;

(ii) charge fees for its services;

(iii) have employees and consultants as it considers necessary; and

(iv) use the services of other governmental units.

(b) For the purposes of this subtitle, each county and municipal corporation has all the powers granted in this subtitle to an authority, including the power to make loans to private enterprises competing with enterprises not receiving the loans.

(c) (1) (i) An authority shall operate and exercise its powers solely to accomplish one or more of the legislative purposes of this subtitle.

(ii) The incorporating county or municipal corporation may use the authority's exercise of its powers to accomplish one or more of the legislative purposes.

(2) An authority or an incorporating county or municipal corporation may exercise its powers regardless of any effect on economic competition.

(3) The powers granted to a county or municipal corporation under paragraph (2) of this subsection do not:

(i) grant to the county or municipal corporation powers in any substantive area not otherwise granted to the county or municipal corporation under other public general or public local law;

(ii) restrict the county or municipal corporation from exercising any power granted to the county or municipal corporation under other public general or public local law or otherwise;

(iii) authorize the county or municipal corporation, or the officers of the county or municipal corporation, to engage in an activity that is beyond the power granted under other public general or public local law or otherwise; or

(iv) preempt or supersede the regulatory authority of a unit of State government under a public general law.

(4) The incorporating county or municipal corporation is not precluded from directly exercising the powers granted to an authority under this subtitle after the establishment of the authority.

§12–110.

(a) Notwithstanding any limitation of law, a public body may issue and sell bonds periodically to accomplish the legislative purposes of this subtitle.

(b) (1) A public body may issue and sell bonds to:

(i) subject to paragraph (2) of this subsection, finance the costs of the acquisition or improvement of a facility for a facility user, including working capital;

(ii) refund outstanding bonds;

(iii) pay the costs of preparing, printing, selling, and issuing the bonds;

(iv) fund reserves; and

(v) pay the interest on the bonds in the amount and for the period the public body considers reasonable.

(2) (i) A public body may not issue bonds to acquire working capital unless the bonds are secured by a letter of credit or an interest in property.

(ii) Working capital acquired by issuing bonds may not exceed 25% of the principal amount of the bonds.

(c) (1) Bonds are limited obligations and are not a pledge of the faith and credit or taxing power of the public body.

(2) Bonds issued by an authority are issued on behalf of the public body that established the authority.

(3) Bonds issued by the Maryland Industrial Development Financing Authority:

(i) are issued on behalf of the State; and

(ii) shall be issued in accordance with the Maryland Industrial Development Financing Authority Act, Title 5, Subtitle 7 of this article.

(d) (1) A bond:

(i) may be in bearer form;

(ii) may be registrable as to principal alone or as to both principal

and interest; and

(iii) is a "security" as defined by § 8-102 of the Commercial Law Article, whether or not the bond is one of a class or series or is divisible into a class or series of instruments.

(2) (i) A bond shall be signed by the chief executive or by an officer designated by resolution of the public body.

(ii) A bond may be executed by facsimile signature in accordance with § 2-303 of the State Finance and Procurement Article.

(iii) The seal of the public body shall be affixed to the bond and attested by the clerk or similar administrative officer of the public body designated by resolution.

(iv) An officer's signature or countersignature on a bond or coupon remains valid even if the officer leaves office before the bond is delivered.

(3) (i) Except as provided in subparagraph (ii) of this paragraph, a bond shall mature not later than 30 years after its date of issue.

(ii) If a bond is secured by a mortgage insured by a unit of the federal government, the bond shall have a term of maturity that does not exceed the term of the insurance.

(e) (1) A public body may acquire or improve a facility with bond proceeds:

(i) by leasing the facility to a facility user;

(ii) by selling the facility to a facility user under an installment sale agreement;

(iii) by lending bond proceeds to a facility user to be used to finance a facility; or

(iv) in any other manner that the public body considers appropriate to accomplish the legislative purposes of this subtitle.

(2) (i) The lease of a facility under this subtitle may authorize or require the facility user to acquire the facility on payment of the principal of and interest on the bonds applicable to the facility user.

(ii) The consideration for the acquisition of the facility may be nominal.

§12–111.

(a) For each issue of its bonds, the legislative body of a county or municipal

corporation, the board of directors of an authority, or the Maryland Industrial Development Financing Authority, shall adopt a resolution that:

(1) specifies and describes the facility;

(2) generally describes the public purpose to be served and the financing transaction;

(3) specifies the maximum principal amount of the bonds that may be issued; and

(4) imposes terms or conditions on the issuance and sale of bonds it considers appropriate.

(b) (1) The legislative body of a county or municipal corporation, the board of directors of an authority, or the Maryland Industrial Development Financing Authority, by resolution, may:

(i) specify, determine, prescribe, and approve matters, documents, and procedures that relate to the authorization, sale, security, issuance, delivery, and payment of and for the bonds;

(ii) create security for the bonds;

(iii) provide for the administration of bond issues through trust or other agreements with a bank or trust company that cover a countersignature on a bond, the delivery of a bond, or the security for a bond; and

(iv) take other action it considers appropriate concerning the bonds.

(2) The legislative body of a county or municipal corporation, the board of directors of an authority, or the Maryland Industrial Development Financing Authority may authorize a designee to exercise the powers provided under paragraph (1) of this subsection.

(3) A designee may be:

(i) a finance board, which shall act by resolution;

(ii) the chief executive, who shall act by executive order or otherwise; or

(iii) any other appropriate administrative officer, who shall act by order or otherwise with the approval of the chief executive.

(4) Subject to the limitations of this subtitle and the limitations the legislative body prescribes by resolution, a chief executive or an administrative officer acting under a resolution of a legislative body shall exercise the authority granted:

(i) to accomplish the legislative purposes of this subtitle; and

(ii) to accomplish the public purposes of the resolution that the legislative body adopts.

(c) (1) A resolution or trust agreement may contain a pledge or assignment of revenues received from the financing of a facility.

(2) The lien of the pledge or assignment made is valid and binding against a person with a claim against the public body, whether or not the person has notice of the lien.

(d) Notwithstanding any other public general or public local law, a public body need not file or record a resolution, trust agreement, lease, installment sale agreement, loan agreement, or other instrument that it adopts or makes under this subtitle, except in the records of the public body.

(e) A resolution adopted under this section:

(1) is administrative in nature;

(2) is not subject to procedures required for legislative acts;

(3) is not subject to referendum; and

(4) in a county or municipal corporation that has a publicly elected chief executive, is subject to approval by the chief executive.

(f) This authorization is self-executing, and fully authorizes a public body to issue and sell bonds, notwithstanding any other statutory or charter provision.

§12–112.

(a) (1) Bonds shall be sold in the manner, at competitive or negotiated sale, and on the terms at, above, or below par, that the public body considers best.

(2) A contract to acquire or improve a facility may provide that payment shall be made in bonds.

(b) A bond is not subject to the limitations of §§ 19–205 and 19–206 of the Local Government Article.

§12–113.

(a) (1) A bond and the interest on a bond are limited obligations of the public body.

(2) Except for bond anticipation notes and notes in the nature of commercial paper, the principal of, premium, and interest on a bond are payable solely

from:

(i) money from the financing of a facility; or

(ii) other money made available to the public body.

(3) Bonds and the interest on them:

(i) are not debts or charges against the general credit or taxing powers of a public body within the meaning of any constitutional or charter provision or statutory limitation; and

(ii) may not give rise to any pecuniary liability of an issuing public body.

(4) A bond may state on its face that the bond:

(i) is issued under this subtitle; and

(ii) is not a debt to which the public body's faith and credit is pledged.

(b) On default in the payment of the principal of or interest on a bond, a court with jurisdiction:

(1) may appoint a receiver or take other appropriate action to provide for the payment of the bond; and

(2) shall apply any available revenue as this subtitle or a resolution adopted under this subtitle provides.

§12–114.

A finding by the legislative body of a county or municipal corporation, the board of directors of an authority, or the Maryland Industrial Development Financing Authority as to the public purpose of an action taken under this subtitle, and the appropriateness of that action to serve the public purpose, is conclusive in a proceeding involving the validity or enforceability of a bond, or security for a bond, issued under this subtitle.

§12–115.

Instead of the procedures under this subtitle, a municipal corporation, by charter amendment adopted under Title 4, Subtitle 3 of the Local Government Article, or a charter county, by charter amendment adopted under Article XI–A of the Maryland Constitution, may provide for the issuance of revenue bonds under the terms and conditions that the municipal corporation or charter county considers appropriate to achieve the legislative purposes of this subtitle.

§12–116.

The principal of and interest on bonds, the transfer of bonds, and any income derived from the bonds, including profits made in their sale or transfer, are forever exempt from State and local taxes.

§12–117.

(a) This section applies to a lease or contract under which:

(1) the State or a unit of the State will be an initial user or occupant of a facility financed by bonds issued under this subtitle; or

(2) a facility financed by bonds issued under this subtitle will be built on property owned by the State.

(b) The State or a unit of the State may not enter into a lease or contract that is subject to this section and that forms a part of the security for bonds issued under this subtitle unless:

(1) the Legislative Policy Committee has authorized the facility as being consistent with the capital budget; and

(2) the Board of Public Works specifically has approved the bond issue for that facility.

§12–118.

This subtitle may be cited as the Maryland Economic Development Revenue Bond Act.

§12–201.

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

(b) "Adjusted assessable base" means the fair market value of real property that qualifies for a farm or agricultural use under § 8–209 of the Tax – Property Article, without regard to the agricultural use assessment for the property as of January 1 of the year preceding the effective date of the resolution creating the development district under § 12–203 of this subtitle.

(c) "Assessable base" means the total assessable base, as determined by the Supervisor of Assessments or the governing body in accordance with § 12–203(b) of this subtitle, of all real property subject to taxation in a development district or a sustainable community.

(d) (1) "Assessment ratio" means a real property tax assessment ratio, however designated or calculated, that is used under applicable general law to

determine the assessable base.

(2) "Assessment ratio" includes the assessment percentage specified under § 8–103(c) of the Tax – Property Article.

(e) "Bond" means a revenue bond, note, or other similar instrument issued in accordance with this subtitle by:

(1) a political subdivision; or

(2) the revenue authority of Prince George's County.

(f) "Chief executive" means the president, chair, mayor, or other chief executive officer of a political subdivision or the revenue authority of Prince George's County.

(g) "Development" includes new development, redevelopment, revitalization, and renovation.

(h) "Development district" means a contiguous area designated by a resolution.

(i) "Issuer" means a political subdivision or the revenue authority of Prince George's County that issues a bond under this subtitle.

(j) "MEDCO obligation" means a bond, note, or other similar instrument that the Maryland Economic Development Corporation issues under authority other than this subtitle to finance the cost of infrastructure improvements located in or supporting a transit–oriented development, a sustainable community, or a State hospital redevelopment.

(k) "Original base" means the assessable base:

(1) as of January 1 of the year preceding the effective date of the resolution creating the development district under § 12–203 of this subtitle; or

(2) if the political subdivision determined the original base in accordance with § 12–203(b) of this subtitle, the base value as established in the resolution.

(l) "Original full cash value" means the dollar amount that is determined by dividing the original base by the assessment ratio used to determine the original base.

(m) "Original taxable value" means for any tax year the dollar amount that is:

(1) the adjusted assessable base, if an adjusted assessable base applies; or

(2) in all other cases, the lesser of:

(i) the product of multiplying the original full cash value by the assessment ratio applicable to that tax year; and

(ii) the original base.

(n) "Political subdivision" means a county or a municipal corporation.

(n–1) "RISE zone" means an area designated as a Regional Institution Strategic Enterprise zone under § 5–1404 of this article.

(o) "State hospital redevelopment" means any combination of private or public commercial, residential, or recreational uses, improvements, and facilities that:

(1) is part of a comprehensive coordinated development plan or strategy involving:

(i) property that was occupied formerly by a State facility, as defined in § 10–101 of the Health – General Article, or a State residential center, as defined in § 7–101 of the Health – General Article; or

(ii) property that is adjacent or reasonably proximate to property that was occupied formerly by a State facility, as defined in § 10–101 of the Health – General Article, or a State residential center, as defined in § 7–101 of the Health – General Article;

(2) in accordance with design development principles, maximizes use of the property by those constituencies it is intended to serve; and

(3) is designated as a State hospital redevelopment by:

(i) the Smart Growth Subcabinet established under § 9–1406 of the State Government Article; and

(ii) the local government or multicounty agency with land use and planning responsibility for the relevant area.

(p) (1) "Sustainable community" has the meaning stated in § 6–201 of the Housing and Community Development Article.

(2) "Sustainable community" includes a portion of a sustainable community.

(q) "Tax increment" means for any tax year the amount by which the assessable base as of January 1 of the preceding tax year exceeds the original base taxable value divided by the assessment ratio used to determine the original taxable value.

(r) "Tax year" means the period from July 1 of a calendar year through June 30 of the next calendar year.

(s) "Transit–oriented development" has the meaning stated in § 7–101 of the Transportation Article.

§12–202.

(a) (1) This subtitle is self-executing.

(2) A political subdivision need not amend its charter to exercise the powers granted by this subtitle.

(b) This subtitle does not apply in Baltimore City.

§12–203.

(a) Before issuing bonds, the governing body of the political subdivision shall:

(1) by resolution:

(i) designate a contiguous area within its jurisdiction as a development district;

(ii) identify an area that has been designated a sustainable community; or

(iii) identify an area that has been designated a RISE zone;

(2) receive from the Supervisor of Assessments a certification of the amount of the original base, or if applicable, the adjusted assessable base; and

(3) pledge that until the bonds are fully paid, or a longer period, the real property taxes in the development district, a RISE zone, or a sustainable community shall be divided as follows:

(i) the portion of the taxes that would be produced at the current tax rate on the original taxable value base shall be paid to the respective taxing authorities in the same manner as taxes on other property are paid; and

(ii) the portion of the taxes on the tax increment that normally would be paid into the general fund of the political subdivision shall be paid into the special fund established under § 12–208 of this subtitle and applied in accordance with § 12–209 of this subtitle.

(b) (1) In this subsection, "brownfields site" has the meaning stated in § 5–301 of this article.

(2) Before issuing bonds and as part of the resolution required under subsection (a) of this section, the governing body of the political subdivision may determine the original base of a brownfields site in a sustainable community.

(3) The determination of the original base of a brownfields site under this section:

(i) is not a determination of the value of the brownfields site; and

(ii) may not be used to determine a property tax assessment or appeal of a property tax assessment under the Tax – Property Article.

(c) The establishment or identification by a county of a development district, a RISE zone, or a sustainable community that is wholly or partly in a municipal corporation shall also require a resolution approving the development district, RISE zone, or sustainable community by the governing body of the municipal corporation.

§12–204.

(a) Notwithstanding any limitation of law, an issuer may issue bonds from time to time to finance the development of an industrial, commercial, or residential area.

(b) To issue bonds under this subtitle, the governing body of a political subdivision shall adopt an ordinance that:

(1) describes the proposed undertaking; and

(2) states:

(i) that the governing body has complied with §§ 12-203 and 12-208(c) and (d) of this subtitle;

(ii) the maximum principal amount of the bonds; and

(iii) the maximum rate of interest on the bonds.

(c) The ordinance may specify the following for bonds issued to carry out the financing of the proposed undertaking:

(1) the principal amount;

(2) the rate of interest;

(3) the manner and terms of sale;

(4) the time of execution, issuance, and delivery;

(5) the form and denomination;

(6) the manner in which, and the times and places at which principal and interest shall be paid;

(7) conditions for redemption before maturity; or

(8) other provisions consistent with this subtitle that the governing body of the political subdivision determines are necessary or desirable.

(d) The revenue authority of Prince George's County may issue bonds in accordance with an ordinance adopted by the governing body of Prince George's County.

(e) The ordinance may specify the items listed in subsection (c) of this section or may authorize:

(1) the finance board to specify those items by resolution or ordinance; or

(2) the chief executive to specify those items by executive order.

(f) (1) Except as provided in paragraph (2) of this subsection, neither an ordinance authorizing the bonds nor an ordinance, resolution, or executive order issued, passed, or adopted under this section may be subject to referendum because of any other State or local law.

(2) An ordinance that authorizes the pledge of the full faith and credit of a political subdivision to the payment of principal and interest on a bond is subject to any applicable right to referendum.

§12–205.

(a) A bond:

(1) may be in bearer form;

(2) may be registrable as to principal alone or as to both principal and interest; and

(3) is a "security" under § 8-102 of the Commercial Law Article, whether or not the bond is one of a class or series or is divisible into a class or series of instruments.

(b) (1) A bond shall be signed manually or in facsimile by the chief executive of the issuer.

(2) An officer's signature or facsimile signature on a bond remains valid even if the officer leaves office before the bond is delivered.

(3) The clerk or other similar administrative officer of the issuer shall attest to and affix to each bond the seal of the issuer.

(c) A bond shall mature not later than 40 years after the date of issue.

(d) (1) The issuer may sell bonds at competitive or negotiated sale in any manner and on any terms that it considers best.

(2) A contract to acquire property may provide that payment shall be made in bonds.

(3) Bonds are exempt from §§ 19–205 and 19–206 of the Local Government Article.

§12–206.

(a) Bonds shall be payable from the special fund established under § 12–208 of this subtitle.

(b) The governing body of the political subdivision or the issuer may:

(1) pledge its full faith and credit or other assets and revenues to pay the bonds; and

(2) establish a sinking fund or a debt service reserve fund for the bonds.

(c) The assets and revenues pledged under subsection (b)(1) of this section may include any amount that the political subdivision may receive from the State under § 2–222 of the Tax – Property Article.

§12–207.

(a) Except as provided in subsections (b) and (e) of this section, bond proceeds may be used only:

(1) to buy, lease, condemn, or otherwise acquire property, or an interest in property:

(i) in the development district, a RISE zone, or a sustainable community; or

(ii) needed for a right–of–way or other easement to or from the development district, a RISE zone, or a sustainable community;

(2) for site removal;

(3) for surveys and studies;

(4) to relocate businesses or residents;

(5) to install utilities, construct parks and playgrounds, and for other needed improvements including:

(i) roads to, from, or in the development district;

(ii) parking; and

(iii) lighting;

(6) to construct or rehabilitate buildings for a governmental purpose or

use;

(7) for reserves or capitalized interest;

(8) for necessary costs to issue bonds; and

(9) to pay the principal of and interest on loans, advances, or indebtedness that a political subdivision incurs for a purpose specified in this section.

(b) (1) This subsection applies to a sustainable community identified under § 12–203 of this subtitle.

(2) In addition to the purposes under subsection (a) of this section and without limiting the purposes in subsection (a) of this section, bond proceeds may be used in a sustainable community for:

(i) historic preservation or rehabilitation;

(ii) environmental remediation, demolition, and site preparation;

(iii) parking lots, facilities, or structures of any type whether for public or private use;

(iv) highways as defined in § 8–101 of the Transportation Article or transit service as defined in § 7–101 of the Transportation Article that support sustainable communities;

(v) schools;

(vi) affordable or mixed income housing; and

(vii) stormwater management and storm drain facilities.

(c) (1) In addition to the purposes listed in subsection (a) of this section, the proceeds from bonds that Prince George's County or the revenue authority of Prince George's County issues may be used:

(i) for convention, conference, or visitors' centers;

(ii) to maintain infrastructure improvements and convention, conference, or visitors' centers;

(iii) to market development district facilities and other improvements; and

(iv) for the purpose of encouraging redevelopment in those areas listed in paragraph (2) of this subsection, to install infrastructure improvements, including:

1. streets;

2. parking structures of any type whether for public or private use;

3. utilities;

4. street lights;

5. stormwater management and storm drain facilities;

6. fencing;

7. noise walls;

8. retaining walls;

9. trails;

10. sidewalks;

11. pedestrian and vehicular bridges; and

12. park facilities.

(2) The purpose of the authority granted by paragraph (1)(iv) of this subsection is to encourage redevelopment in:

(i) revitalization areas designated by the county;

(ii) mixed use centers;

(iii) blighted areas; and

(iv) the Developed Tier, growth corridors, and growth centers, as defined in the county General Plan.

(d) (1) In addition to the purposes listed in subsection (a) of this section, the proceeds from bonds that a municipal corporation issues may be used for the purpose of encouraging redevelopment in those areas listed in paragraph (2) of this subsection, to install infrastructure improvements, including:

(i) streets;

(ii) parking structures of any type whether for public or private use;

(iii) utilities;

(iv) street lights;

(v) stormwater management and storm drain facilities;

(vi) fencing;

(vii) noise walls;

(viii) retaining walls;

(ix) trails;

(x) sidewalks;

(xi) pedestrian and vehicular bridges; and

(xii) park facilities.

(2) The purpose of the authority granted by paragraph (1) of this subsection is to encourage redevelopment in:

(i) revitalization areas designated by a county or municipal corporation;

(ii) mixed use centers;

(iii) blighted areas; and

(iv) developed areas and growth areas, as defined in a county or municipal corporation land use plan.

(e) (1) This subsection applies to a RISE zone identified under § 12–203 of this subtitle.

(2) In addition to the purposes under subsection (a) of this section and without limiting the purposes in subsection (a) of this section, bond proceeds may be used in a RISE zone for:

(i) historic preservation or rehabilitation;

(ii) environmental remediation, demolition, and site preparation;

(iii) parking lots, facilities, or structures of any type whether for public or private use;

(iv) schools;

(v) affordable or mixed income housing;

(vi) stormwater management and storm drain facilities;

(vii) innovation centers and laboratory facilities, or structures of any type whether for public or private use, including maintenance and installation of improvements in the structures and services that support the purposes of the RISE zone program; and

(viii) any other facilities or structures of any type whether for public or private use that support the purposes of the RISE zone program.

(f) In addition to the purposes listed in subsection (a) of this section, the proceeds from bonds issued by the County Commissioners of Washington County may be used for:

(1) demolition or site removal, including on property that is privately owned and intended to remain privately owned;

(2) pedestrian or vehicular bridges or overpasses, including railroad crossings and related improvements; or

(3) parking lots, facilities, or structures of any type, whether:

(i) publicly or privately owned; or

(ii) available for public or private use.

§12–208.

(a) The governing body of a political subdivision may adopt a resolution creating a special fund for a development district, a RISE zone, or a sustainable community even though no bonds:

(1) have been issued for the development district, the RISE zone, or the sustainable community; or

(2) are outstanding at the time of adoption.

(b) The taxes allocated to the special fund in accordance with § 12–203(a)(3)(ii) of this subtitle shall be deposited in the special fund while the resolution that created the special fund remains in effect.

(c) Other than tax revenues received from residential properties in Prince George's County, the tax collected under § 12–203(a)(3)(ii) of this subtitle is not considered a tax of the political subdivision for the purposes of any constant yield limitation or State or local restriction.

(d) State real property taxes may not be paid into the special fund.

§12–209.

(a) Subject to subsection (c) of this section, the special fund for the development

district, the RISE zone, or the sustainable community may be used for any of the following purposes as determined by the governing body of the political subdivision:

(1) a purpose specified in § 12–207 of this subtitle;

(2) accumulated to pay debt service on bonds to be issued later;

(3) payment or reimbursement of debt service, or payments under an agreement described in subsection (b) of this section, that the political subdivision is obliged under a general or limited obligation to pay, or has paid, on or relating to bonds issued by the State, a political subdivision, or the revenue authority of Prince George's County if the proceeds were used for a purpose specified in § 12–207 of this subtitle; or

(4) payment to the political subdivision for any other legal purpose.

(b) (1) Subject to paragraph (2) of this subsection, the political subdivision that has created a special fund for a development district, a RISE zone, or a sustainable community may pledge under an agreement that amounts deposited to the special fund shall be paid over to secure payment on MEDCO obligations.

(2) The agreement shall:

(i) be in writing;

(ii) be executed by the political subdivision making the pledge, the Maryland Economic Development Corporation, and the other persons that the governing body of the political subdivision determines; and

(iii) run to the benefit of and be enforceable on behalf of the holders of the MEDCO obligations secured by the agreement.

(c) If bonds are outstanding with respect to a development district, a RISE zone, or a sustainable community, the special fund may be used as described in subsection (a) of this section in any fiscal year only if:

(1) the balance of the special fund exceeds the unpaid debt service payable on the bonds in the fiscal year; and

(2) the special fund is not restricted so as to prohibit the use.

(d) The issuance of bonds pledging the full faith and credit of the political subdivision shall comply with appropriate county or municipal charter requirements.

§12–210.

(a) (1) Subject to paragraph (2) of this subsection, the governing body of a political subdivision that is not the issuer may pledge under an agreement that its property taxes levied on the tax increment shall be paid into the special fund for the

development district, a RISE zone, or a sustainable community.

(2) The agreement shall:

(i) be in writing;

(ii) be executed by the governing bodies of the issuer and the political subdivision making the pledge; and

(iii) run to the benefit of and be enforceable on behalf of any bondholder.

(b) The governing body of Prince George's County may also pledge hotel rental tax revenues to the special fund.

(c) The governing body of a political subdivision, including the issuer, may pledge by or under a resolution, including by an agreement with the issuer, as applicable, that alternative local tax revenues generated within, or that are otherwise determined to be attributable to, a development district that is a transit–oriented development, a RISE zone, a sustainable community, or a State hospital redevelopment be paid, as provided in the resolution, into the special fund to:

(1) secure the payment of debt service on bonds or MEDCO obligations; or

(2) be applied to the other purposes stated in § 12–209 of this subtitle.

§12–211.

(a) The principal amount of bonds, interest payable on bonds, the transfer of bonds, and income from bonds, including profit made in the sale or transfer of bonds, are exempt from State and local taxes.

(b) If a political subdivision leases as a lessor its property within a development district, a RISE zone, or a sustainable community:

(1) the property shall be assessed and taxed in the same manner as privately owned property; and

(2) the lease shall require the lessee to pay taxes or payments in lieu of taxes on the assessed value of the entire property and not only on the assessed value of the leasehold interest.

§12–212.

This subtitle does not authorize a county or a municipal corporation to acquire property by eminent domain.

§12–213.

This subtitle may be cited as the Tax Increment Financing Act.

§12–301.

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

(b) "Bond" means a bond, note, or other similar instrument that a political subdivision issues under this subtitle.

(c) "Chief executive" means the president, chair, mayor, county executive, or any other chief executive officer of a political subdivision.

(d) "Designated blighted area" means an area designated under § 12-303 of this subtitle.

(e) "Financed area" means the geographic portion of a designated blighted area for which the proceeds of a bond are to be used under § 12-303 of this subtitle.

(f) "Political subdivision" means a county or municipal corporation.

§12–302.

(a) To issue a bond, a political subdivision shall adopt an ordinance or resolution that:

(1) describes the proposed undertaking to be financed by the bond proceeds;

(2) requires compliance with § 12-303 of this subtitle before the bond is issued; and

(3) specifies the maximum principal amount of the bond.

(b) As the political subdivision considers appropriate to effect the financing of the proposed undertaking, the ordinance or resolution may:

(1) specify the items listed in subsection (c) of this section;

(2) authorize the finance board of the political subdivision to specify those items by resolution or ordinance; or

(3) authorize the chief executive of the political subdivision to specify those items by executive order.

(c) For each issuance of a bond, the political subdivision may specify:

(1) the principal amount;

(2) the interest rate or, for floating or variable rates of interest, the method to determine the interest rate;

(3) the manner and terms of sale, including whether by competitive or negotiated sale;

(4) the time of execution, issuance, and delivery;

(5) the form and denomination;

(6) the source, manner, times, and places to pay principal or interest;

(7) conditions for redemption before maturity;

(8) the actions taken to comply with § 12-307 of this subtitle;

(9) the purposes for which proceeds may be spent;

(10) the source of security; and

(11) other provisions that the governing body of the political subdivision determines are necessary or desirable to effect the financing of the proposed undertaking.

§12–303.

(a) Before a political subdivision issues a bond, the political subdivision shall pass an ordinance or administrative resolution that:

(1) designates an area in the political subdivision as a designated blighted area based on the substantial presence of:

(i) excessive vacant land on which structures were previously located;

(ii) abandoned or vacant buildings;

(iii) substandard structures;

(iv) delinquencies in real property tax payments; or

(v) similar factors that the political subdivision determines indicate blight;

(2) designates the financed area for which the proceeds of the bond are to be used; and

(3) adopts a redevelopment plan for the designated blighted area.

(b) (1) Before a county may designate a blighted area or financed area that lies wholly or partly in a municipal corporation, the municipal corporation shall consent to the designation of the part of the area that is within the municipal corporation.

(2) Before a municipal corporation may designate a blighted area or financed area, the county that contains the area shall consent to the designation.

(3) Consent under this subsection shall be made by ordinance or administrative resolution.

(c) A political subdivision that issues a bond as a qualified redevelopment bond under the Internal Revenue Code shall comply with federal law in determining:

(1) the designated blighted area and the financed area to which the bond relates; and

(2) any other designated blighted areas in the political subdivision.

§12–304.

(a) The General Assembly intends that general obligation debt may be incurred by issuing bonds if the purposes for the debt include the purposes for issuing bonds under this subtitle.

(b) Subject to subsections (c) and (d) of this section, a political subdivision may issue bonds to finance the redevelopment of a designated blighted area in accordance with the procedures of the political subdivision for authorization to sell and issue bonds.

(c) A bond issued in accordance with an ordinance or resolution that pledges the full faith and credit of a political subdivision is subject to:

(1) any applicable requirements of the Constitution and the political subdivision's charter and laws on referendum for the issuance of general obligation debt; and

(2) each limitation imposed by public general law, public local law, or charter on general obligation debt of the political subdivision.

(d) (1) This subsection does not apply to a county that is a charter county, as defined in § 1–101 of the Local Government Article, or a code county, as defined in § 1–101 of the Local Government Article.

(2) A county may not issue bonds that are secured by the full faith and credit of the county unless the amount of bonds to be issued by the county under this subtitle is first authorized by the General Assembly.

§12–305.

(a) Except as provided in subsection (b) of this section, the ordinance or resolution described in § 12-303 of this subtitle may provide that a bond may be secured and made payable from any combination of:

(1) a pledge of the full faith and credit of the political subdivision and payable by taxes of general applicability;

(2) an increase in real property tax revenues that is attributable to increases in assessed value in designated blighted areas resulting from carrying out the purposes for which the bond is issued;

(3) revenues of the project or undertaking for which the bond is issued;

(4) proceeds of bonds; or

(5) other money that may be legally made available to pay the bond.

(b) A bond issued by Baltimore City may not be secured under subsection (a)(2) of this section.

§12–306.

(a) The ordinance or resolution described in § 12-308 of this subtitle may provide that bond proceeds may be spent on any combination of:

(1) the following redevelopment purposes in a designated blighted area:

(i) acquisition of real property by the political subdivision;

(ii) clearing and preparing the real property;

(iii) rehabilitating the real property; and

(iv) relocating occupants of the real property;

(2) other purposes that the local jurisdiction determines to be incidental, necessary, or appropriate to the redevelopment of the designated blighted area, including construction of new structures or the enlargement of existing structures; and

(3) expenses of preparing, printing, selling, and issuing bonds, and funding reserves and interest on the bonds, in the amounts and for the time that the political subdivision considers reasonable.

(b) Subject to subsection (c) of this section, money from the federal government, the State, or otherwise legally available for the purposes described in subsection (a) of this section may be spent for any of those purposes.

(c) Expenditures under this section shall first be authorized in accordance with applicable laws.

§12–307.

(a) By written agreement with the issuer of a bond, a political subdivision that is not the issuer may:

(1) pledge to the payment of the bond any real property tax revenues attributable to increases in assessed value increase of property in designated blighted areas resulting from carrying out the purposes for which the bond is issued; and

(2) make covenants about real property taxes and other charges in a designated blighted area as it considers appropriate.

(b) An agreement made under this section may be for the benefit and be enforceable on behalf of any bondholder.

§12–308.

(a) A bond:

(1) may be in bearer form;

(2) may be registrable as to principal alone or as to both principal and interest; and

(3) is a "security" under § 8-102 of the Commercial Law Article, whether or not the bond is one of a class or series or is divisible into a class or series of instruments.

(b) (1) A bond shall be signed manually or in facsimile by the chief executive of the political subdivision.

(2) An officer's signature or facsimile signature on a bond remains valid even if the officer leaves office before the bond is delivered.

(3) The seal of the political subdivision shall be affixed to the bond and attested by the clerk or other similar administrative officer of the political subdivision.

(c) (1) A bond shall mature not later than 40 years after the date of issue.

(2) Bonds may be issued as serial bonds or term bonds with provisions for a mandatory sinking fund or other annual principal redemption beginning not later than 3 years after the date of issue.

(d) (1) A bond shall be sold in the manner, at public or private (negotiated) sale, and on the terms at, above, or below par, as the political subdivision considers best.

(2) A contract to acquire property may provide that payments shall be made in bonds.

(3) A bond is not subject to §§ 19–205 and 19–206 of the Local Government Article.

§12–309.

(a) A bond, the transfer of a bond, the interest payable on a bond, the income derived from a bond, and the profit realized on sale or exchange of a bond are exempt from State and local taxes.

(b) A political subdivision may issue bonds under this subtitle without regard to their federal tax status.

§12–310.

For purposes of an action involving the validity or enforceability of a bond or security for a bond, a finding by a political subdivision is conclusive as to:

(1) the public purpose of an action taken under this subtitle; and

(2) any other matter relating to the issuance of a bond.

§12–311.

This subtitle does not authorize a political subdivision to acquire property by eminent domain.

§12–312.

This subtitle may be cited as the Redevelopment Bond Act.

§12–401.

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

(b) "Board" means the board of directors of a district corporation.

(c) "Commercial tenant" means a lessee or other lawful occupant, other than the owner, of nonexempt property within a district.

(d) "District" means a business improvement district established under this subtitle.

(e) "District corporation" means a business improvement district corporation formed in accordance with this subtitle.

(f) "Members of the district" means owners of nonexempt property in the

district.

(g) "Nonexempt property" means nonresidential real property that is not exempt from paying real property taxes.

§12–402.

The legislative purposes of this subtitle are to:

(1) provide for the creation of business improvement districts; and

(2) promote the general welfare of the residents, employers, employees, property owners, commercial tenants, consumers, and the general public within the geographic area of the business improvement districts.

§12–403.

(a) Subject to a public hearing under § 12–408 of this subtitle and to accomplish one or more of the legislative purposes listed in § 12–402 of this subtitle, the legislative body of a county or municipal corporation may adopt a local law to create a business improvement district in accordance with this subtitle.

(b) Subsection (a) of this section is self–executing and fully authorizes a county or municipal corporation to establish a district, notwithstanding any other statutory or charter provision.

(c) A local law adopted under subsection (a) of this section shall include:

(1) the name of the district corporation;

(2) that the district corporation is formed under this subtitle;

(3) the names, addresses, and terms of office of the initial members of the board of directors of the district corporation;

(4) the address of the principal office of the district corporation;

(5) the purposes for which the district is formed;

(6) the powers of the district, subject to the limitations on the powers of districts under this subtitle; and

(7) if applicable, articles of incorporation of the district corporation.

§12–404.

(a) A board of directors shall govern the district corporation.

(b) (1) Subject to paragraph (2) of this subsection, the board of a district

corporation consists of five members appointed by the members of the district.

(2) Appointment procedures shall be provided in the local law establishing the district.

(c) From among its members, the board shall elect a chair and other officers.

(d) (1) Three voting members of the board are a quorum.

(2) The board may act on a resolution only by the affirmative vote of at least three voting members.

(e) A member of the board:

(1) may not receive compensation as a member of the board; but

(2) shall be reimbursed for expenses incurred in performing the member's duties.

(f) The board shall exercise its powers by resolution.

(g) The board shall file an annual report with the governing body of the county or municipal corporation that includes:

(1) a financial statement for the preceding year;

(2) a proposed operating budget for the current fiscal year;

(3) any proposed revisions to the business plan; and

(4) a narrative statement or chart showing the results of operations in comparison to stated goals and objectives.

§12–405.

The net earnings of a district corporation may benefit only the district corporation.

§12–406.

(a) (1) Except as limited by its articles of incorporation, a district corporation has all the powers set forth in this subtitle.

(2) A district corporation may:

(i) receive money from its incorporating county or municipal corporation, the State, other governmental units, or not for profit organizations;

(ii) charge fees for its services;

(iii) have employees and consultants as it considers necessary; and

(iv) use the services of other governmental units.

(b) A district corporation shall operate and exercise its powers solely to accomplish one or more of the legislative purposes of this subtitle.

§12–407.

(a) The owners of nonexempt property who seek to establish a district corporation shall submit appropriate documentation as described in subsection (b) of this section to:

(1) the governing body of the county in which the proposed district is located; and

(2) if the proposed district is located within a municipal corporation, the governing body of the municipal corporation.

(b) The appropriate documentation required under subsection (a) of this section shall contain:

(1) a statement setting forth:

(i) the proposed name and address of the district corporation; and

(ii) the street address of each owner of nonexempt property within the proposed district;

(2) a statement expressing the intent to establish a district corporation that is signed by at least 80% of the owners of the total number of parcels of nonexempt property in the geographic area of the proposed district;

(3) a proposed 3–year business plan that contains:

(i) the goals and objectives of the proposed district;

(ii) the annual proposed business improvement district tax for the proposed district's common operations and the formula used to determine each member's district tax; and

(iii) the maximum amount and the nature of start–up costs incurred before the district's establishment;

(4) a tax assessor's map of the geographic area of the proposed district;

(5) a list of the proposed initial board of the proposed district corporation;

(6) the proposed articles of incorporation and the bylaws of the district

corporation;

(7) for all nonexempt property within the proposed district:

(i) the name and mailing address of each owner; and

(ii) the most recent assessed value; and

(8) a list of the names and addresses of all commercial tenants within the geographic area of the proposed district.

(c) Within 45 days after receiving all appropriate documentation under subsection (b) of this section, the governing body of a county or municipal corporation shall schedule a public hearing on the application.

§12–408.

(a) At least 21 days before the public hearing, the governing body of a county or municipal corporation shall publish notice of the public hearing in a newspaper of general circulation within the geographic area of the proposed district.

(b) At least 21 days before the public hearing, the owners of nonexempt property who seek to establish a district shall send notice of the public hearing and a summary of the application to:

(1) each owner of nonexempt property within the proposed district; and

(2) each commercial tenant within the proposed district.

(c) Before the public hearing, the application shall be made available for review during normal business hours in at least one location in the proposed district.

(d) Within 10 days after the public hearing, if the governing body of the county or municipal corporation determines that the needs of the district meet the purposes of this subtitle, the governing body shall authorize the district in accordance with § 12–403 of this subtitle.

§12–409.

(a) Within 10 days after the authorization by the governing body of the county or municipal corporation of the district, the district corporation shall provide the governing body of the county or municipal corporation with a preliminary business improvement district tax roll.

(b) (1) The governing body of the county or municipal corporation shall impose a business improvement district tax to provide funds for the operation of the district.

(2) The governing body of the county or municipal corporation shall impose on members of the district the district tax at a rate specified by the board and approved

by the governing body.

(3) The tax imposed under this subsection may not count against a county or municipal corporation tax cap.

(c) The district tax shall be collected in the same manner as real property taxes are collected and distributed each quarter to the district.

(d) A district shall reimburse the governing body of a county or municipal corporation for the costs incurred in collecting the district tax.

§12–410.

An established district may expand the geographic area of the district if:

(1) a petition for inclusion is submitted from at least 80% of the owners of the total number of parcels of nonexempt property in the geographic area proposed for inclusion in the district;

(2) the petition under item (1) of this subsection is accepted by a majority vote of the board of the district corporation; and

(3) the appropriate documents, as applicable, are submitted under § 12–407 of this subtitle and a hearing is held under § 12–408 of this subtitle.

§12–411.

(a) The governing body of a county or municipal corporation in which a district is established under this section shall:

(1) review the effectiveness and desirability of continuing the district every 3 years from the time the district is authorized by local law under § 12–403 of this subtitle; and

(2) develop policies and procedures for evaluating the desirability of continuing the district if requested by owners of nonexempt property in the district.

(b) If the continuing existence of the district is not approved by the governing body:

(1) the district shall cease to exist as directed by the governing body; and

(2) the district corporation shall continue its existence only as long as necessary to terminate operation in a reasonable manner.

§12–501.

(a) Notwithstanding any other provision of law, Montgomery County may make an equity investment through the county's Economic Development Fund in a

company that is located in Montgomery County or that agrees to relocate its business to Montgomery County.

(b) The proceeds of an equity investment made under subsection (a) of this section may be used for:

(1) working capital;

(2) salaries;

(3) marketing materials;

(4) acquisition of inventory, equipment, or real property;

(5) construction;

(6) renovation;

(7) leasehold improvements; or

(8) research and development.

(c) The county may not acquire an ownership interest exceeding 25% of any enterprise.

(d) (1) The terms of an equity investment approved by the county shall be set forth in a funding agreement.

(2) A funding agreement made under paragraph (1) of this subsection shall prohibit the county from:

(i) participating in the selection of the management of the company;

(ii) engaging in oversight of the operation of the company; or

(iii) assuming any present or future liability of the company.

(3) At the county's discretion, a funding agreement made under paragraph (1) of this subsection may consist of:

(i) an investment agreement;

(ii) a limited partnership agreement;

(iii) a preferred stock purchase agreement; or

(iv) other documents that the county may require.

(e) Notice of each equity investment made by Montgomery County under

subsection (a) of this section shall be posted in a readily accessible and clearly identified location on the Montgomery County government website within 5 days after the date on which the county initiates the equity investment transaction.

§13–101.

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

(b) "Act" means the federal Appalachian Regional Development Act of 1965.

(c) "Commission" means the federal Appalachian Regional Commission.

(d) "Program" means the federal Appalachian Regional Development Program.

§13–102.

(a) The Department may:

(1) coordinate and cooperate with any unit of the federal government to implement the Act in the State;

(2) enter into contracts and agreements under the Act;

(3) spend money for any purpose related to the Act, including for highways, natural resources, agriculture, education, training, health, and welfare; and

(4) do all things necessary and proper to carry out the Act.

(b) (1) If any unit of the federal government offers to the State services, equipment, supplies, materials, or money as a gift or grant to implement the Program, the State, acting through the Governor and Department, may accept the offer.

(2) If the Governor and Department accept the offer of a gift or grant under paragraph (1) of this subsection, the Governor and Department may authorize a unit of the State or a political subdivision to receive and use the gift or grant.

§13–103.

(a) Subject to subsection (b) of this section, the Governor shall be a member of the Commission.

(b) (1) The Governor may designate an individual who is a member of the Governor's cabinet or personal staff to serve as a member of the Commission on the Governor's behalf.

(2) The Governor's designee serves at the pleasure of the Governor.

(3) The Governor's designee shall receive compensation as provided in the State budget.

(4) The Governor's designee is entitled to reimbursement for expenses as provided under the Standard State Travel Regulations.

(c) The Governor or the Governor's designee may:

(1) certify a local development commission to the Commission; and

(2) perform any act necessary to carry out the provisions of this subtitle or the Act.

§13–201.

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

(b) "Board" means the Southern States Energy Board.

(c) "Compact" means the Southern States Energy Compact.

§13–202.

The Southern States Energy Compact is entered into by this State with other states legally joining the compact in accordance with its terms, in the form substantially as follows:

Article I. Policy and Purpose.

The party states recognize that the proper employment and conservation of energy and employment of energy–related facilities, materials, and products, within the context of a responsible regard for the environment, can assist substantially in the industrialization of the South and the development of a balanced economy for the region. They also recognize that optimum benefit from and acquisition of energy resources and facilities require systematic encouragement, guidance, and assistance from the party states on a cooperative basis. It is the policy of the party states to undertake such cooperation on a continuing basis; it is the purpose of this compact to provide the instruments and framework for such a cooperative effort to improve the economy of the South and contribute to the individual and community well–being of the region's people.

Article II. The Board.

(a) There is hereby created an agency of the party states to be known as the "Southern States Energy Board" (hereinafter called the board). The board shall be composed of three members from each party state, one of whom shall be appointed or designated in each state to represent the governor, the state senate, and the state house of delegates, respectively. Each member shall be designated or appointed in accordance with the law of the state which the member represents and serving and subject to removal in accordance with such law. Any member of the board may provide for the discharge of the member's duties and the performance of the member's functions thereon (either for the duration of the membership or for any lesser period of

time) by a deputy or assistant, if the law of the member's state makes specific provision therefore. The federal government may be represented without vote if provision is made by federal law for such representation.

(b) Each party state shall be entitled to one vote on the board, to be determined by majority vote of each member or member's representative from the party state present and voting on any question. No action of the board shall be binding unless taken at a meeting at which a majority of all party states are represented and unless a majority of the total number of votes on the board are cast in favor thereof.

(c) The board shall have a seal.

(d) The board shall elect annually, from among its members, a chairman, vice–chairman, and a treasurer. The board shall appoint an executive director who shall serve at its pleasure and who shall also act as secretary, and who, together with the treasurer, shall be bonded in such amounts as the board may require.

(e) The executive director, with the approval of the board, shall appoint and remove or discharge such personnel as may be necessary for the performance of the board's functions irrespective of the civil service, personnel or other merit system laws of any of the party states.

(f) The board may establish and maintain, independently or in conjunction with any one or more of the party states, a suitable retirement system for its full–time employees. Employees of the board shall be eligible for Social Security coverage in respect of old–age and survivors insurance provided that the board takes such steps as may be necessary pursuant to federal law to participate in such program of insurance as a governmental agency or unit. The board may establish and maintain or participate in such additional programs of employee benefits as may be appropriate.

(g) The board may borrow, accept, or contract for the services of personnel from any state of the United States or any subdivision or agency thereof, from any interstate agency, or from any institution, person, firm or corporation.

(h) The board may accept for any of its purposes and functions under this compact any and all donations, and grants of money, equipment, supplies, materials, and services (conditional or otherwise) from any state or the United States or any subdivision or agency thereof, or interstate agency, or from any institution, person, firm, or corporation, and may receive, utilize and dispose of the same.

(i) The board may establish and maintain such facilities as may be necessary for the transacting of its business. The board may acquire, hold, and convey real and personal property and any interest therein.

(j) The board shall adopt bylaws, rules, and regulations for the conduct of its business, and shall have the power to amend and rescind these bylaws, rules, and regulations. The board shall publish its bylaws, rules, and regulations in convenient form and shall file a copy thereof, and shall also file a copy of any amendment thereto,

with the appropriate agency or officer in each of the party states.

(k) The board annually shall make to the governor of each party state, a report covering the activities of the board for the preceding year, and embodying such recommendations as may have been adopted by the board, which report shall be transmitted to the legislature of said state. The board may issue such additional reports as it may deem desirable.

Article III. Finances.

(a) The board shall submit to the executive head or designated officer or officers of each party state a budget of its estimated expenditures for such period as may be required by the laws of that jurisdiction for presentation to the legislature thereof.

(b) Each of the board's budgets of estimated expenditures shall contain specific recommendations of the amount or amounts to be appropriated by each of the party states. One half of the total amount of each budget of estimated expenditures shall be apportioned among the party states in equal shares; one quarter of each such budget shall be apportioned among the party states in accordance with the ratio of their populations to the total population of the entire group of party states based on the last decennial federal census; and one quarter of each such budget shall be apportioned among the party states on the basis of the relative average per–capita income of the inhabitants in each of the party states based on the latest computations published by the federal census–taking agency. Subject to appropriation by their respective legislatures, the board shall be provided with such funds by each of the party states as are necessary to provide the means of establishing and maintaining facilities, a staff of personnel, and such activities as may be necessary to fulfill the powers and duties imposed upon and entrusted to the board.

(c) The board may meet any of its obligations in whole or in part with funds available to it under Article II (h) of this compact provided that the board takes specific action setting aside such funds prior to the incurring of any obligation to be met in whole or in part in this manner. Except where the board makes use of funds available to it under Article II (h) hereof, the board shall not incur any obligation prior to the allotment of funds by the party jurisdictions adequate to meet the same.

(d) The board shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the board shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the board shall be audited yearly by a qualified public accountant and the report of the audit shall be included in and become part of the annual report of the board.

(e) The accounts of the board shall be open at any reasonable time for inspection.

Article IV. Advisory Committees.

The board may establish such advisory and technical committees as it may deem necessary, membership on which to include but not be limited to private citizens, expert and lay personnel, representatives of industry, labor, commerce, agriculture, civic associations, medicine, education, voluntary health agencies, and officials of local, state and federal government, and may cooperate with and use the services of any such committees and the organizations which they represent in furthering any of its activities under this compact.

Article V. Powers.

The board shall have the power to:

(a) ascertain and analyze on a continuing basis the position of the South with respect to energy, energy–related industries, and environmental concerns.

(b) encourage the development, conservation, and responsible use of energy and energy–related facilities, installations, and products as part of a balanced economy and healthy environment.

(c) collect, correlate, and disseminate information relating to civilian use of energy and energy–related materials and products.

(d) conduct, or cooperate in conducting, programs of training for state and local personnel engaged in any aspect of:

(1) energy, environment, and application of energy, environmental, and related concerns to industry, medicine, or education or the promotion or regulation thereof.

(2) the formulation or administration of measures designed to promote safety in any matter related to the development, use, or disposal of energy and energy–related materials, products, installations, or wastes.

(e) organize and conduct, or assist and cooperate in organizing and conducting, demonstrations of energy product, material, or equipment use and disposal and of proper techniques or processes for the application of energy resources to the civilian economy or general welfare.

(f) undertake such nonregulatory functions with respect to sources of radiation as may promote the economic development and general welfare of the region.

(g) study industrial, health, safety, and other standards, laws, codes, rules, regulations, and administrative practices in or related to energy and environmental fields.

(h) recommend such changes in, or amendments or additions to the laws, codes, rules, regulations, administrative procedures and practices or ordinances of the party states in any of the fields of its interest and competence as in its judgment may be appropriate. Any such recommendation shall be made through the appropriate

state agency with due consideration of the desirability of uniformity but shall also give appropriate weight to any special circumstance which may justify variations to meet local conditions.

(i) prepare, publish and distribute (with or without charge) such reports, bulletins, newsletters or other materials as it deems appropriate.

(j) cooperate with the United States Department of Energy or any agency successor thereto, any other officer or agency of the United States, and any other governmental unit or agency or officer thereof, and with any private persons or agencies in any of the fields of its interest.

(k) act as licensee of the United States government or any party state with respect to the conduct of any research activity requiring such license and operate such research facility or undertake any program pursuant thereto.

(l) ascertain from time to time such methods, practices, circumstances, and conditions as may bring about the prevention and control of energy and environmental incidents in the area comprising the party states, to coordinate the nuclear, environmental, and other energy–related incident prevention and control plans and the work relating thereto of the appropriate agencies of the party states and to facilitate the rendering of aid by the party states to each other in coping with energy and environmental incidents. The board may formulate and, in accordance with need from time to time, revise a regional plan or regional plans for coping with energy and environmental incidents within the territory of the party states as a whole or within any subregion or subregions of the geographic area covered by this compact.

Article VI. Supplementary Agreements.

(a) To the extent that the board has not undertaken an activity or project which would be within its power under the provisions of Article V of this compact, any two or more of the party states (acting by their duly constituted administrative officials) may enter into supplementary agreements for the undertaking and continuance of such an activity or project. Any such agreement shall specify its purpose or purposes; its duration and the procedure for termination thereof or withdrawal therefrom; the method of financing and allocating the costs of the activity or project; and such other matters as may be necessary or appropriate. No such supplementary agreement entered into pursuant to this article shall become effective prior to its submission to and approval by the board. The board shall give such approval unless it finds that the supplementary agreement or the activity or project contemplated thereby is inconsistent with the provisions of this compact or a program or activity conducted by or participated in by the board.

(b) Unless all of the party states participate in a supplementary agreement, any cost or costs thereof shall be borne separately by the states party thereto. However, the board may administer or otherwise assist in the operation of any supplementary agreement.

(c) No party to a supplementary agreement entered into pursuant to this article shall be relieved thereby of any obligation or duty assumed by said party state under or pursuant to this compact, except that timely and proper performance of such obligation or duty by means of the supplementary agreement may be offered as performance pursuant to the compact.

Article VII. Other Laws and Relationships.

Nothing in this compact shall be construed to:

(a) permit or require any person or other entity to avoid or refuse compliance with any law, rule, regulation, order or ordinance of a party state or subdivision thereof now or hereafter made, enacted or in force.

(b) limit, diminish, or impair jurisdiction exercised by the United States Department of Energy, any agency successor thereto, or any other federal department, agency or officer pursuant to and in conformity with any valid and operative act of Congress.

(c) alter the relations between and respective internal responsibilities of the government of a party state and its subdivisions.

(d) permit or authorize the board to exercise any regulatory authority or to own or operate any nuclear reactor for the generation of electric energy; nor shall the board own or operate any facility or installation for industrial or commercial purposes.

Article VIII. Eligible Parties, Entry into Force and Withdrawal.

(a) Any or all of the states of Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia, the Commonwealth of Puerto Rico, and the United States Virgin Islands shall be eligible to become party to this compact.

(b) As to any eligible party state, this compact shall become effective when its legislature has enacted the same into law: Provided that it shall not become initially effective until enacted into law by seven states.

(c) Any party state may withdraw from this compact by enacting a statute repealing the same, but no such withdrawal shall become effective until the governor of the withdrawing state shall have sent formal notice in writing to the governor of each other party state informing said governors of the action of the legislature in repealing the compact and declaring an intention to withdraw.

Article IX. Severability and Construction.

The provisions of this compact and of any supplementary agreement entered into hereunder shall be severable and if any phrase, clause, sentence or provision

of this compact or such supplementary agreement is declared to be contrary to the constitution of any participating state or of the United States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact or such supplementary agreement and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact or any supplementary agreement entered into hereunder shall be held contrary to the constitution of any state participating therein, the compact or such supplementary agreement shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters. The provisions of this compact and of any supplementary agreement entered into pursuant hereto shall be liberally construed to effectuate the purposes thereof.

§13–203.

(a) The three members of the board from the State are as follows:

(1) one member appointed by the Director of the Maryland Energy Administration, with the approval of the Governor;

(2) one member of the House of Delegates, appointed by the Speaker of the House; and

(3) one member of the Senate of Maryland, appointed by the President of the Senate.

(b) (1) The term of the member appointed under subsection (a)(1) of this section expires at the end of the term of the appointing Governor.

(2) The term of a member appointed under subsection (a)(2) or (3) of this section expires at the end of the term of that General Assembly.

§13–204.

In accordance with Article III(a) of the compact, the board shall submit its budgets of estimated expenditures to the Governor for presentation to the General Assembly.

§13–205.

Any supplementary agreement entered in accordance with Article VI of the compact that requires the expenditure of money or the assumption of an obligation to expend money may not become effective as to the State before the General Assembly makes an appropriation for it.

§13–206.

The units and officers of the State and its political subdivisions may cooperate with the board in the furtherance of any of its activities under the compact.

§13–301.

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

(b) "Council" means the Baltimore Metropolitan Council.

(c) "Region" means the area that includes all of Anne Arundel County, Baltimore City, Baltimore County, Carroll County, Harford County, and Howard County.

§13–302.

(a) There is a Baltimore Metropolitan Council.

(b) The Council:

(1) is a body politic and corporate; and

(2) is not a unit of State government.

(c) The purposes of the Council are to:

(1) serve as a forum for local officials and their representatives to identify and address problems in the region;

(2) provide a central source of information and coordination for fashioning responses to needs in the region;

(3) assist local jurisdictions in developing regional policies, prioritizing regional infrastructure needs, and developing regional strategies; and

(4) facilitate coordination and collaboration among local jurisdictions and organizations in the Baltimore region to foster economic growth and development in the region in areas that include:

(i) regional transportation;

(ii) housing;

(iii) workforce development; and

(iv) renewable energy projects and usage.

§13–303.

(a) The Council consists of:

(1) one member appointed by the County Executive of Anne Arundel County;

(2) one member appointed by the Mayor of Baltimore City;

(3) one member appointed by the County Executive of Baltimore County;

(4) one member appointed by the County Commissioners of Carroll County;

(5) one member appointed by the County Executive of Harford County;

(6) one member appointed by the County Executive of Howard County;

(7) one member of the House of Delegates who represents a district within Anne Arundel County, Baltimore City, Baltimore County, Carroll County, Harford County, or Howard County, appointed by the Speaker of the House;

(8) one member of the Senate of Maryland who represents a district within Anne Arundel County, Baltimore City, Baltimore County, Carroll County, Harford County, or Howard County, appointed by the President of the Senate; and

(9) one representative of the private sector appointed by the Governor.

(b) A member appointed under subsection (a)(1) through (6) of this section serves at the pleasure of the appointing authority.

§13–304.

As provided in the Council Charter, the Council shall elect a chair from among its members.

§13–305.

(a) (1) The Council shall meet at least quarterly at the times and places that it determines.

(2) A majority of the members of the Council is a quorum.

(3) An action of the Council is not effective unless approved by majority vote of all members of the Council.

(b) A member of the Council:

(1) may not receive compensation as a member of the Council; but

(2) is entitled to reimbursement for reasonable expenses.

§13–306.

The Council may employ a staff.

§13–307.

(a) The Council may:

(1) adopt a seal;

(2) sue or be sued, subject to the limitations of Title 5, Subtitle 3 of the Courts and Judicial Proceedings Article;

(3) adopt a charter, bylaws, rules, and guidelines to carry out its purposes;

(4) acquire, hold, lease, use, encumber, transfer, or dispose of property;

(5) enter into a contract and execute any instrument necessary or convenient to carry out its purposes;

(6) exercise any corporate power granted to a corporation under the Corporations and Associations Article;

(7) serve, with the State Department of Transportation, as a metropolitan planning organization for federal funding and certification; and

(8) do all things necessary or convenient to carry out the powers granted by this subtitle.

(b) The Council shall report annually to the General Assembly, in accordance with § 2–1246 of the State Government Article, on:

(1) the status of the Council's efforts; and

(2) recommended policy goals, strategies, and statutory changes to improve regional cooperation and the long–term health of the region.

§13–308.

The Council may accept from any private or public source a contribution or grant of money or property.

§13–309.

(a) There is a Baltimore Region Transportation Board.

(b) The Board serves as the metropolitan planning organization for federal funding and certification as required by federal law.

(c) The Board consists of:

(1) the Mayor of the City of Annapolis;

(2) the County Executive of Anne Arundel County;

(3) the Mayor of Baltimore City;

(4) the County Executive of Baltimore County;

(5) the President of the Carroll County Commissioners;

(6) the County Executive of Harford County;

(7) the County Executive of Howard County;

(8) the Secretary of Transportation;

(9) the Secretary of the Environment;

(10) the Secretary of Planning; and

(11) as authorized under 23 U.S.C. §§ 134 and 135:

(i) the chief executive officer or president of the board of commissioners of any other jurisdiction; and

(ii) the secretary or chief appointed official of any other unit of State government.

§13–401.

In this subtitle, "Council" means the Rural Maryland Council.

§13–402.

There is a Rural Maryland Council.

§13–403.

The Council is a State rural development council that brings together members of the public and representatives of public sector entities and private sector organizations to address collaboratively problems and challenges facing rural communities in the State.

§13–404.

The Council is an independent unit in the Executive Branch of State government that is placed under the State Department of Agriculture for administrative and budgetary purposes.

§13–405.

(a) The membership of the Council is open to any resident of the State who has an interest in improving the quality of life in rural areas of the State and chooses to join the Council.

(b) The Council shall include:

(1) the Governor or the Governor's designee;

(2) as determined under the bylaws of the Council:

(i) representatives from local, State, and federal agencies that serve rural interests; and

(ii) representatives from private sector organizations, including rural-based for-profit and not-for-profit organizations and rural client groups; and

(3) as nonvoting members:

(i) one member of the Senate of Maryland from each of the three rural regions of the State, appointed by the President of the Senate;

(ii) one member of the House of Delegates from each of the three rural regions of the State, appointed by the Speaker of the House; and

(iii) one member of the Senate of Maryland or the House of Delegates representing Harford County, appointed jointly by the President of the Senate and the Speaker of the House.

§13–406.

(a) From among its members, the Council shall elect each year a chair and one or more vice chairs.

(b) The Council shall adopt bylaws for the conduct of its business.

§13–407.

The Council shall establish an Executive Board.

§13–408.

(a) The Executive Board shall include:

(1) the chair of the Council;

(2) the Governor or the Governor's designee;

(3) the Secretary or the Secretary's designee;

(4) the Secretary of Agriculture or the designee of the Secretary of Agriculture;

(5) the Secretary of Health and Mental Hygiene or the designee of the Secretary of Health and Mental Hygiene;

(6) the Secretary of Housing and Community Development or the designee of the Secretary of Housing and Community Development;

(7) the Secretary of Natural Resources or the designee of the Secretary of Natural Resources;

(8) the Director of the University of Maryland Cooperative Extension Service or the Director's designee;

(9) two representatives of the Maryland Municipal League, selected from rural regions of the State;

(10) two representatives of the Maryland Association of Counties, selected from rural regions of the State;

(11) one representative of each of the rural regional planning and development councils in the State;

(12) one representative of each of the resource, conservation, and development councils in the State;

(13) one or more representatives of units of the federal government;

(14) one representative from Garrett County, Allegany County, or Washington County;

(15) one representative from Carroll County or Frederick County;

(16) one representative from Calvert County, Charles County, or St. Mary's County;

(17) one representative from Cecil County or Harford County;

(18) one representative from Dorchester County, Somerset County, Wicomico County, or Worcester County;

(19) one representative of the private for-profit sector;

(20) one representative of the not-for-profit sector;

(21) no more than six representatives of statewide not-for-profit

organizations with a rural focus;

(22) two at-large members, selected by the membership of the Council; and

(23) as nonvoting members, the senators and delegates appointed to the Council under § 13-405(b)(3) of this subtitle.

(b) Members of the Executive Board shall be selected and serve in accordance with the bylaws of the Council.

(c) The Council may expand the membership of the Executive Board through the bylaws of the Council.

(d) The chair of the Council is the chair of the Executive Board.

§13–409.

After a consensus of opinion has emerged, the Executive Board shall make recommendations on programmatic or regulatory matters of concern to rural communities.

§13–410.

With the consent of the Executive Board, the chair may establish subcommittees or working committees consisting of members of the Council and interested parties to address or study specific issues.

§13–411.

(a) The Council shall employ an Executive Director.

(b) The Executive Director:

(1) is responsible for the daily operations of the Council; and

(2) shall help develop policy recommendations for consideration by the Council or the Executive Board.

(c) The Executive Director serves at the pleasure of the Executive Board.

§13–412.

(a) The State Department of Agriculture shall provide the Council with necessary staff support and resources, including office space.

(b) Each unit in the Executive Branch of State government shall participate in the deliberations of the Council and work with the Council on matters relating to the unit.

(c) The Attorney General is the legal advisor to the Council.

§13–413.

The Council is exempt from:

(1) Division I of the State Personnel and Pensions Article;

(2) Division II of the State Finance and Procurement Article, except as otherwise provided in § 11-203(b) of the State Finance and Procurement Article; and

(3) Title 10, Subtitle 1 of the State Government Article.

§13–414.

(a) The Governor shall include in the budget of the State Department of Agriculture funding for the Council.

(b) The Secretary of Agriculture shall include without revision the budget request of the Council in the budget request of the State Department of Agriculture that is provided to the Department of Budget and Management.

§13–415.

(a) The Council may undertake any activity that addresses issues and concerns of rural areas of the State as long as the activity is not inconsistent with provisions of the Farm Security and Rural Investment Act of 2002 regarding the National Rural Development Partnership and state rural development councils, 7 U.S.C. § 2008m.

(b) The Council may:

(1) maintain a principal office at a location in the central region of the State that is accessible to the rural public;

(2) employ, as regular employees or as independent contractors, staff that the Council considers necessary in accordance with the Council budget;

(3) enter into contracts;

(4) accept grants and other assistance from the federal government, other units of State government, local governments, or a private source; and

(5) do all things necessary or convenient to carry out its purpose.

§13–416.

The Council shall publish and submit an annual report of its activities to the Governor and, in accordance with § 2-1246 of the State Government Article, to the General Assembly.

§13–501. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2020 PER CHAPTER 269 OF 2006 //

In this subtitle, "Board" means the Maryland Rural Broadband Coordination Board.

§13–502. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2020 PER CHAPTER 269 OF 2006 //

There is a Maryland Rural Broadband Coordination Board.

§13–503. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2020 PER CHAPTER 269 OF 2006 //

(a) The Board consists of the following members:

(1) the Secretary, or the Secretary's designee;

(2) the Secretary of Transportation, or the designee of the Secretary of Transportation;

(3) the Secretary of Information Technology or the Director of Network Maryland as the designee of the Secretary of Information Technology;

(4) the chair of the Rural Maryland Council, or the chair's designee;

(5) the chair of the Tri–County Council for Southern Maryland, or the chair's designee;

(6) the chair of the Tri–County Council for Western Maryland, or the chair's designee;

(7) the chair of the Mid–Shore Regional Council, or the chair's designee;

(8) the chair of the Tri–County Council for the Lower Eastern Shore of Maryland, or the chair's designee; and

(9) the chair of the Upper Shore Regional Council, or the chair's designee.

(b) The Board shall elect a chair from among its members.

(c) The Board shall adopt bylaws to carry out this subtitle.

§13–504. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2020 PER CHAPTER 269 OF 2006 //

The Board shall:

(1) assist in the deployment of broadband communication infrastructure in rural and underserved areas of the State;

(2) cooperate with public, private, and not–for–profit entities to obtain, coordinate, and disseminate resources for the establishment of broadband communication services in rural and underserved areas of the State;

(3) review and approve the disbursement of funds under the Rural Broadband Assistance Fund under § 5–1102 of this article and any other federal, State, and private financial resources that may be provided to assist the establishment of broadband communication services in rural and underserved areas of the State; and

(4) perform other functions that are consistent with the intent of this subtitle.

§13–505. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2020 PER CHAPTER 269 OF 2006 //

The Board and affected units of State government shall cooperate fully in carrying out the intent of this subtitle.

§13–506. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2020 PER CHAPTER 269 OF 2006 //

The Rural Maryland Council shall:

(1) provide staff support to the Board; and

(2) report on the activities of the Board in the preceding fiscal year in the Council's annual report under § 13–416 of this title.

§13–601.

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

(b) "Commissioners" means the Board of County Commissioners of Calvert County, Charles County, or St. Mary's County, respectively.

(c) "Council" means the Tri-County Council for Southern Maryland.

(d) "Executive Director" means the Executive Director of the Council.

(e) "Plan" means a regional plan that the Council prepares for the region.

(f) "Region" means Calvert, Charles, and St. Mary's counties.

§13–602.

(a) There is a Tri–County Council for Southern Maryland.

(b) (1) The Council is a tax–exempt body politic and corporate.

(2) The Council is an independent unit that the Governor may not place in a principal department.

(c) (1) The Council is a cooperative planning and development unit for the region.

(2) The purposes of the Council are to:

(i) foster the physical, economic, and social development of the region; and

(ii) use effectively the assistance provided to the region by the State.

(3) The Council initiates and coordinates plans and projects for the development of human and economic resources of the region as a southern Maryland planning and development unit.

§13–603.

(a) The Council consists of:

(1) the members of the General Assembly representing the region, as voting members;

(2) the commissioners of Calvert, Charles, and St. Mary's counties, as voting members;

(3) one voting member appointed by the president of the Southern Maryland Municipal Association;

(4) one voting member at large from each county, appointed by the commissioners of the county with the concurrence of the members of the General Assembly representing the county;

(5) one nonvoting member from each county, appointed jointly by the economic development commission and the planning and zoning commission of the county; and

(6) one nonvoting member appointed by the Department and the Department of Planning.

(b) (1) An ex officio member is a member only during the member's term of office.

(2) A member at large serves at the pleasure of the elected members who represent the same county.

(3) At the end of a term, a member continues to serve until a successor is appointed.

(4) Except for an ex officio member, a member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed.

§13–604.

The Council shall elect a chair from among its members.

§13–605.

(a) The Council shall establish committees to conduct its work.

(b) The membership of a committee may include individuals who are not Council members or elected officials.

§13–606.

A member of the Council is not entitled to compensation as a member of the Council.

§13–607.

(a) (1) The Council shall appoint an Executive Director qualified by training and experience.

(2) The Executive Director is the chief administrative and planning officer and technical advisor of the Council.

(b) The Executive Director serves at the pleasure of the Council.

(c) The Council shall establish the powers and duties of the Executive Director.

(d) The Executive Director is entitled to the compensation that the Council sets.

§13–608.

The Attorney General is the legal advisor to the Council.

§13–609.

(a) The Council may employ a staff and retain professional consultants.

(b) The Council shall:

(1) determine the powers and duties of the staff; and

(2) set the compensation of the staff.

(c) (1) The Executive Director shall appoint and remove the staff of the Council.

(2) The Executive Director may contract for professional or consultant services.

(d) The Executive Director may make agreements with local planning units in the region for temporary transfer or joint use of staff.

§13–610.

The Council has the immunity from suit provided in § 5-505 of the Courts Article.

§13–611.

(a) The State and Calvert, Charles, and St. Mary's counties may jointly finance the Council and its activities.

(b) (1) The State may provide financial support to the Council to assist in carrying out the activities of the Council.

(2) (i) On or before August 1 of each year, the Council shall submit its proposed work programs and operating budget for the following fiscal year to the Department.

(ii) The submission shall include supporting schedules to show how the budget is financed, and to provide for review and recommendations.

(iii) After review, the Department shall forward the submission and any recommendations to the Department of Budget and Management for consideration.

(3) The Governor shall include in the State budget for the following fiscal year an appropriation to partially support the Council.

(c) (1) The county commissioners of Calvert, Charles, and St. Mary's counties shall appropriate money each year for the Council to foster cooperative planning and development in the region as follows:

(i) Calvert County - $7,000;

(ii) Charles County - $9,000; and

(iii) St. Mary's County - $9,000.

(2) Calvert, Charles, and St. Mary's counties may appropriate any other

money for the Council as they consider necessary and appropriate.

(d) The Council may accept additional money from any other public or private source.

§13–612.

(a) The Council may operate in the region.

(b) The Council may:

(1) adopt a seal;

(2) sue;

(3) adopt bylaws and rules for the conduct of its business;

(4) enter into contracts and agreements;

(5) borrow money and accept advances, loans, grants, contributions, and any other form of assistance from the federal government, the State, or other public or private source;

(6) give any required security;

(7) include in any contract for financial assistance with the federal government any reasonable and appropriate condition imposed under federal law that is not inconsistent with the purposes of this subtitle; and

(8) execute any instrument and act as necessary, convenient, or desirable to carry out its powers and the purposes of this subtitle.

(c) The Council shall publish its rules.

§13–612.1.

(a) Subject to subsections (b) and (c) of this section, in order to accomplish the purposes of this subtitle, the Council may use any money available to it to finance the purchase or lease of property only by:

(1) one or more of the following Southern Maryland counties:

(i) Anne Arundel County;

(ii) Calvert County;

(iii) Charles County;

(iv) Prince George's County; and

(v) St. Mary's County;

(2) the Maryland Food Center Authority; or

(3) another entity, as determined by the Council, that is authorized to finance or purchase property.

(b) If the Council determines that money should be used to finance the purchase or lease of property under subsection (a) of this section, the Council, in accordance with State procurement law, shall:

(1) prepare and issue a request for proposals;

(2) evaluate responses to the request; and

(3) select an entity to purchase or lease property.

(c) (1) Except as provided in paragraph (2) of this subsection, the Council may not own or lease property.

(2) The Council may lease office space for its own use.

§13–613.

The Council may:

(1) prepare studies of the region's resources with respect to existing and emerging problems of industry, commerce, transportation, population, housing, agriculture, public services, local governments, and any other matters relevant to regional planning;

(2) (i) collect, process, and analyze at regular intervals the social and economic statistics for the region that are necessary to planning studies; and

(ii) make the results available to the public;

(3) participate with other governmental units, educational institutions, and private organizations in the coordination of the research activities; and

(4) provide information to:

(i) units and instrumentalities of the federal, State, and local governments; and

(ii) the public, in order to:

1. foster public awareness and understanding of the objectives of the plan and the functions of regional and local planning; and

2. stimulate public interest and participation in the orderly, integrated development of the region.

§13–614.

(a) (1) The Council shall cooperate with other units of State government.

(2) The Council shall submit for approval each plan or project of the Council in which the State units have a statutory function or responsibility.

(b) The Council may:

(1) cooperate with and provide planning assistance to local governments, instrumentalities, and planning units in the region; and

(2) coordinate regional area planning with:

(i) planning activities of the State and of the local governmental units, including special districts, in the region and neighboring areas; and

(ii) programs of the federal government.

§13–618.

The Council shall prepare, adopt, and periodically revise a general development plan for the region that embodies the policy recommendations of the Council.

§13–619.

The objectives of the plan are to:

(1) guide a coordinated, adjusted, efficient, and economic development of the region in a manner that will best promote the health, safety, order, convenience, prosperity, and welfare of the residents of the region in accordance with present and future needs and resources;

(2) provide for patterns of urbanization and the uses of land and resources for trade, industry, recreation, forestry, agriculture, and tourism;

(3) create conditions favorable to the development of human resources;

(4) identify the public interest and the necessity for public action and intergovernmental cooperation and coordination in the region; and

(5) coordinate with efforts of the private sector in the region.

§13–620.

The plan shall include:

(1) a statement of the objectives, standards, and principles sought to be expressed in the plan;

(2) recommendations for the most desirable pattern and intensity of general land use in the region in the light of the best available information concerning natural environmental factors, the present and prospective economic and demographic basis of the region, and the relation of land use in the region to land use in adjoining areas;

(3) recommendations for the general circulation pattern for the region including land, water, and air transportation and communication facilities, used for movement within the region or to and from adjoining areas;

(4) recommendations on the need for and proposed general location of public and private works and facilities that, because of their function, size, extent, or for any other reason, are of a regional rather than a purely local concern;

(5) recommendations for the long-range programming and financing of capital projects and facilities;

(6) recommendations for meeting housing needs of existing and prospective immigrant population of the region;

(7) recommendations for the development of programs and improvements in the region for health services, manpower planning, employment opportunity, education, elimination of poverty, and law enforcement; and

(8) any other appropriate recommendations on current and impending problems that may affect the region.

§13–621.

(a) (1) The Council shall hold a public hearing before adopting all or part of the plan.

(2) At least 60 days before the public hearing, the Council shall submit the plan to the Department of Planning and to the local planning commissions and governing bodies of each political subdivision in the region.

(3) The Council shall publish notice of the hearing in newspapers of general circulation in each county in the region, at least once each week for 3 weeks before the hearing.

(b) On or before the date of the hearing:

(1) the Department of Planning may recommend to the Council changes needed in the plan to conform it to State plans and policies; and

(2) each local planning commission and governing body of each political subdivision in the region may make recommendations to the Council on the effect of the plan in the political subdivision.

(c) The Council shall reevaluate the plan for the development of the region at least every 4 years, after the election of State and local officials.

§13–622.

The Council may amend the plan in the same manner that it adopts the original plan.

§13–623.

After the Council adopts the plan, the Council may not establish a policy or take an action that does not conform to the plan.

§13–624.

(a) The Council may review:

(1) any application that a political subdivision in the region makes to a unit of the State or federal government for a loan or grant for a project; and

(2) a local plan, proposal for a project, or ordinance that may have an impact outside the boundary of the political subdivision or in the region.

(b) Before applying to a unit of the State or federal government for a loan or grant for a project, a political subdivision in the region shall submit the application to the Council for its review.

(c) The Council shall forward its findings and determinations to the referring political subdivision and to the appropriate State or federal unit.

§13–625.

If the Council has adopted a plan for the region:

(1) a governmental unit in the region may not adopt a plan, or amendment to a plan, having a regional impact until the plan is referred to the Council for its consideration, review, and recommendations; and

(2) a road, park, public way, public building, or other development that is regional in nature or affects an area greater than a single unit of government may not be constructed or authorized in the region until the proposed location and its extent are referred to the Council for consideration, review, and recommendations.

§13–701.

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

(b) "Commissioners" means the Board of County Commissioners of Allegany County, Garrett County, or Washington County, respectively.

(c) "Council" means the Tri–County Council for Western Maryland.

(d) "Executive Director" means the Executive Director of the Council.

(e) "Member county" means each county in the region that pays annual dues that the Council sets.

(f) "Plan" means a regional plan that the Council prepares for the region.

(g) "Region" means Allegany, Garrett, and Washington counties.

§13–702.

(a) There is a Tri-County Council for Western Maryland.

(b) (1) The Council is a tax-exempt body politic and corporate.

(2) The Council is an independent unit that the Governor may not place in a principal department.

(c) (1) The Council is a cooperative regional planning and development unit for the region.

(2) The purposes of the Council are to:

(i) foster the physical, economic, and social development of the region; and

(ii) use effectively the assistance provided to the region by the State.

(3) The Council initiates and coordinates plans and projects for the development of human and economic resources of the region as a western Maryland planning and development unit.

§13–703.

(a) The Council consists of the following 26 members:

(1) two commissioners from each member county;

(2) the Director of Economic Development from each member county;

(3) two mayors from each member county or their representatives, appointed by the respective chapters of the Maryland Municipal League for each member county;

(4) the chair of each member county's legislative delegation to the House of Delegates, or the chair's designee;

(5) the two members of the Senate of Maryland representing the member counties in Districts 1 and 2;

(6) six private citizens, two from each member county, who are:

(i) appointed by their respective commissioners;

(ii) not listed under paragraph (1), (2), (3), (4), or (5) of this subsection; and

(iii) neither elected officials nor employees of a unit of local government.

(b) (1) A member who qualifies because of the member's elected or appointed position is a member of the Council only during the member's term of office in the elected or appointed position.

(2) A member appointed:

(i) under subsection (a)(3) of this section, serves at the pleasure of the commissioners for the county that the member represents;

(ii) under subsection (a)(4) of this section, shall reside in the member county that the member represents; and

(iii) under subsection (a)(6) of this section:

1. serves at the pleasure of the commissioners who appointed the member; and

2. has the same term as the commissioners who appointed the member.

(3) At the end of a term, a member continues to serve until a successor is appointed and qualifies.

(4) Except for an ex officio member, a member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

§13–704.

(a) There is an Executive Committee of the Council.

(b) The Executive Committee consists of the Chair, Vice–Chair, and Secretary/Treasurer of the Council.

(c) (1) On a rotating basis, a commissioner member of the Council from each member county shall serve as the Chair, Vice–Chair, and Secretary/Treasurer, respectively.

(2) The term of each officer is 1 year.

§13–705.

(a) The Council shall establish committees to conduct its work.

(b) The membership of a committee may include individuals who are not Council members or elected officials.

§13–706.

A member of the Council is not entitled to compensation as a member of the Council.

§13–707.

(a) (1) The Council shall appoint an Executive Director qualified by training and experience.

(2) The Executive Director is the chief administrative and planning officer and regular technical advisor of the Council.

(b) The Executive Director serves at the pleasure of the Council.

(c) (1) The Council shall establish the powers and duties of the Executive Director.

(2) The Executive Director appoints and removes the staff of the Council.

(d) The Executive Director is entitled to the compensation that the Council sets.

§13–708.

With the consent of the Attorney General, the Council may:

(1) select and retain its own counsel; or

(2) use the Attorney General as its legal counsel.

§13–709.

(a) The Council may employ a staff and retain professional consultants.

(b) The Council shall:

(1) determine the powers and duties of the staff; and

(2) set the compensation of the staff.

(c) The Executive Director may contract for professional or consultant services.

(d) The Executive Director may make agreements with local planning or economic development units in the region for temporary transfer or joint use of staff.

§13–710.

The Council has the immunity from suit provided in § 5-506 of the Courts Article.

§13–711.

(a) (1) Each year the State shall appropriate money to the Council in the State budget.

(2) The State allocation is contingent on the commitment of the participating counties to contribute matching amounts equal to the amount disbursed by the State.

(3) (i) On or before August 1 of each year, the Council shall submit its proposed work programs and operating budget for the following fiscal year to the Department.

(ii) The submission shall include supporting schedules to show that the budget is financed and to provide for review and recommendations.

(iii) After review, the Department shall forward the submission and any recommendations to the Department of Budget and Management for consideration.

(4) The Department shall:

(i) review, approve, and confirm the counties' commitments; and

(ii) include with its budget request the budget request for the Council.

(5) The Governor shall include in the State budget for the following fiscal year an appropriation to partially support the Council.

(b) (1) The State and Allegany, Garrett, and Washington counties may jointly

finance the Council and its activities.

(2) The commissioners of Allegany, Garrett, and Washington counties shall appropriate money each year to the Council to foster cooperative planning and development in the region.

(3) Allegany, Garrett, and Washington counties may appropriate any other money for the Council as they consider necessary and appropriate.

(4) Other political subdivisions, including special districts, may appropriate money to the Council as they consider necessary and appropriate.

(c) The Council may use additional money from any other public or private source.

§13–712.

(a) (1) The Council may operate in the region.

(2) Association with the Council is open to all counties, municipal corporations, and special districts in the region.

(b) The Council may:

(1) adopt a seal;

(2) sue;

(3) adopt bylaws and rules for the conduct of its business;

(4) enter into contracts or agreements;

(5) borrow money and accept advances, loans, grants, contributions, and any other form of assistance from the federal government, the State, or other public or private source;

(6) give any required security;

(7) include in any contract for financial assistance with the federal government any reasonable and appropriate condition imposed under federal laws that is not inconsistent with the purposes of this subtitle;

(8) execute any instrument and act as necessary, convenient, or desirable to carry out its powers and the purposes of this subtitle; and

(9) monitor, coordinate, and facilitate the activities and policies of any additional programs serving the region, except those subject to State or federal designation.

(c) The Council shall:

(1) adopt bylaws governing the procedures and policies of its membership; and

(2) publish its rules.

§13–713.

The Council may:

(1) prepare studies of the region's resources with respect to existing and emerging problems of industry, commerce, transportation, population, housing, agriculture, public services, local governments, and any other matter relevant to regional planning;

(2) (i) collect, process, and analyze at regular intervals the social and economic statistics for the region that are necessary to planning studies; and

(ii) make the results available to the public;

(3) participate with other governmental units, educational institutions, and private organizations in the coordination of the research activities;

(4) provide information to:

(i) units and instrumentalities of the federal, State, and local governments; and

(ii) the public, in order to:

1. foster public awareness and understanding of the objectives of the plan and the functions of regional and local planning; and

2. stimulate public interest and participation in the orderly, integrated development of the region.

§13–714.

(a) (1) The Council shall cooperate with other units of State government.

(2) The Council shall submit for approval each plan or project of the Council in which the State units have a statutory function or responsibility.

(b) The Council may:

(1) cooperate with and provide planning assistance to local governments, instrumentalities, and planning units in the region; and

(2) coordinate regional area planning with:

(i) planning activities of the State and of the local governmental units, including special districts, in the region and neighboring areas; and

(ii) programs of the federal government.

§13–718.

The Council shall prepare, adopt, and periodically revise a general development plan for the region that embodies the policy recommendations of the Council.

§13–719.

The objectives of the plan are to:

(1) guide a coordinated, adjusted, efficient, and economic development of the region in a manner that will best promote the health, safety, order, convenience, prosperity, and welfare of the residents of the region in accordance with present and future needs and resources;

(2) provide for patterns of urbanization and the uses of land and resources for trade, industry, recreation, forestry, agriculture, and tourism;

(3) create conditions favorable to the development of human resources;

(4) identify the public interest and the necessity for public action and intergovernmental cooperation and coordination in the region;

(5) coordinate with the efforts of the private sector in the region;

(6) recognize any State comprehensive planning and development activities;

(7) reflect the plans and programs of the participating governmental units; and

(8) take into account economic and demographic factors, conditions, and trends that are relevant to the future development of the region.

§13–720.

The plan shall include:

(1) a statement of the objectives, standards, and principles sought to be expressed in the plan;

(2) recommendations for the general circulation pattern for the region including land, water, and air transportation and communication facilities used for

movement within the region or to and from adjoining areas;

(3) recommendations on the need for and proposed general location of public and private works and facilities that because of their function, size, extent, or for any other reason are of a regional rather than a purely local concern;

(4) recommendations for the long-range programming and financing of capital projects and facilities;

(5) recommendations for meeting housing needs of existing and prospective immigrant population of the region;

(6) recommendations for the development of programs and improvements in the region for health services, manpower planning, employment opportunity, education, elimination of poverty, and law enforcement;

(7) the identification of issues that need to be resolved between local governments and make appropriate recommendations concerning these issues;

(8) the promotion of regional concerns; and

(9) any other appropriate recommendations on current and impending problems that may affect the region.

§13–721.

(a) (1) The Council shall hold a public hearing before adopting all or part of the plan.

(2) At least 60 days before the public hearing, the Council shall submit the plan to the Department of Planning and to the local planning commissions, and the governing body of each political subdivision in the region.

(3) The Council shall publish notice of the hearing in newspapers of general circulation in each county in the region, at least once each week for 3 weeks before the hearing.

(b) On or before the date of the hearing:

(1) the Department of Planning may recommend to the Council changes needed in the plan to conform it to State plans and policies; and

(2) each local planning commission and governing body of each political subdivision in the region may make recommendations to the Council on the effect of the plan in the political subdivision.

(c) The Council shall reevaluate the plan for the development of the region at least every 4 years.

§13–722.

(a) The Council may amend the plan in the same manner that it adopts the original plan.

(b) The Council need not follow the procedure used to adopt the original plan in order to revise the plan as necessary and appropriate for a statistical and informational update.

§13–723.

After the Council adopts the plan, the Council may not establish any policy or take an action that does not conform to the plan.

§13–724.

The Council may review:

(1) any application that a political subdivision in the region makes:

(i) to a unit of the State or federal government for a loan or grant for projects; or

(ii) through the State Clearinghouse for Intergovernmental Assistance in the Department of Planning; and

(2) a local plan, proposal for a project, or ordinance that may have an impact outside the boundary of the political subdivision or in the region.

§13–727.

In this part, "Bureau" means the Western Maryland Regional Tourism Bureau.

§13–728.

(a) There is a Western Maryland Regional Tourism Bureau in the Council.

(b) The purposes of the Bureau are to:

(1) develop advertising and marketing programs to disseminate information about the region;

(2) stimulate tourism in the region;

(3) encourage the development of the region's recreational areas and facilities;

(4) promote business and job opportunities in the region through tourism;

(5) develop public awareness of the heritage and history of the region;

(6) coordinate and facilitate special events programming for the region;

(7) serve as a liaison between the region's tourism industry, the Governor, the Department, other units of State government, private organizations, and the General Assembly; and

(8) advise the Governor, the Department, and the General Assembly on programs affecting the tourism industry.

§13–729.

(a) The Executive Board of the Bureau consists of the following 15 members:

(1) from Allegany County:

(i) two members appointed by the commissioners;

(ii) two members appointed by the county Chamber of Commerce; and

(iii) one member appointed by the members of the Allegany County delegation to the General Assembly from the members of the Council who are in the delegation;

(2) from Garrett County:

(i) two members appointed by the commissioners;

(ii) two members appointed from the Deep Creek Lake Garrett County Promotional Council by the commissioners; and

(iii) one member appointed by the members of the Garrett County delegation to the General Assembly from the members of the Council who are in the delegation; and

(3) from Washington County:

(i) two members appointed by the commissioners;

(ii) two members appointed by the county Chamber of Commerce; and

(iii) one member appointed by the members of the Washington County delegation to the General Assembly from the members of the Council who are in the delegation.

(b) (1) The members of the Executive Board serve the terms set in the bylaws

of the Bureau.

(2) After the initial appointment of the Executive Board, the qualifications and appointment of members are subject to the bylaws of the Bureau.

§13–730.

A member of the Executive Board of the Bureau:

(1) is not entitled to compensation as a member of the Executive Board; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations.

§13–731.

(a) The Bureau may establish officers, procedures, and voting requirements.

(b) The Bureau may employ a staff in accordance with its bylaws.

§13–732.

As the Executive Board decides, the budget of the Bureau may consist of private memberships and public contributions.

§13–733.

(a) The Bureau may establish a private, not-for-profit corporation to assist the Bureau.

(b) Subject to the Corporations and Associations Article, the Bureau shall determine the powers and duties of the corporation.

(c) The Bureau may:

(1) set the number of members of the Board of Directors of the corporation;

(2) set a procedure to elect and remove directors;

(3) set the compensation of a director; and

(4) require the corporation to report periodically to the Bureau on its activities.

§13–801.

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

(b) "Commissioner" means a member of the Board of County Commissioners of Somerset County or Worcester County or a member of the County Council of Wicomico County.

(c) "Council" means the Tri-County Council for the Lower Eastern Shore of Maryland.

(d) "Executive Director" means the Executive Director of the Council.

(e) "Region" means Somerset, Wicomico, and Worcester counties.

§13–802.

(a) There is a Tri-County Council for the Lower Eastern Shore of Maryland.

(b) (1) The Council is a tax-exempt body politic and corporate.

(2) The Council is an independent unit that the Governor may not place in a principal department.

(c) (1) The Council is a cooperative planning and development unit for the region.

(2) The purposes of the Council are to:

(i) foster the physical, economic, and social development of the region; and

(ii) use effectively the assistance provided to the region by the State.

(3) The Council initiates and coordinates plans and projects for the development of human and economic resources of the region as a planning and development unit for the Lower Eastern Shore.

§13–803.

(a) (1) The Council consists of the members described in this subsection.

(2) The voting members of the Council are:

(i) from Somerset County, the five commissioners;

(ii) from Wicomico County:

1. the county executive; and

2. four members of the county council, appointed by the county council;

(iii) from Worcester County, five commissioners, appointed by the Board of County Commissioners;

(iv) three municipal elected officials, one from each county, appointed by:

1. their respective municipal corporations; or

2. the Eastern Shore Municipal Association if the municipal corporations are unable to appoint a member within a reasonable time; and

(v) if the majority of the member's legislative district is in the region, each member of the General Assembly representing the region.

(3) The nonvoting members of the Council are:

(i) each commissioner in the region who is not appointed under paragraph (2) of this subsection; and

(ii) each other member of the General Assembly representing the region if the majority of the member's legislative district is not in the region.

(4) The bylaws of the Council may provide for additional members who are private individuals.

(b) (1) A member appointed under subsection (a)(2)(i), (ii), or (iii) of this section may designate another commissioner or a county administrator representing the same county to vote by proxy for the member when the member is absent from a meeting.

(2) A member who designates a proxy shall inform the Executive Director in advance of the meeting.

(c) (1) A member who qualifies because of the member's elected position is a member of the Council only during the member's term of office in the elected position.

(2) At the end of a term, a member continues to serve until a successor is appointed.

(d) Council membership is not an office of profit.

§13–804.

The Council shall elect a chair from among its members.

§13–805.

A member of the Council is not entitled to compensation as a member of the Council.

§13–806.

(a) The Council may employ an executive director.

(b) The Executive Director serves at the pleasure of the Council.

§13–807.

The Council may:

(1) select and retain its own legal counsel; or

(2) use the Attorney General as its legal counsel.

§13–808.

(a) The State and Somerset, Wicomico, and Worcester counties may jointly finance the Council and its activities.

(b) (1) The State may provide financial support to the Council to assist in carrying out the activities of the Council.

(2) (i) On or before August 1 of each year, the Council shall submit its proposed work programs and operating budget for the following fiscal year to the Department.

(ii) The submission shall include supporting schedules to show how the budget is financed, and to provide for review and recommendations.

(iii) After review, the Department shall forward the submission and any recommendations to the Department of Budget and Management for consideration.

(3) The Governor shall include in the State budget for the following fiscal year an appropriation of at least $200,000 to partially support the Council.

(c) (1) The governing bodies of Somerset, Wicomico, and Worcester counties each year shall appropriate to the Council at least $10,000 each to foster cooperative planning and development in the region.

(2) Other political subdivisions, including special districts, may appropriate money for the Council as they consider necessary and appropriate.

(d) The Council may accept additional money from any other public or private source.

§13–809.

The Council may adopt bylaws and rules for the conduct of its business and to carry out its mission.

§13–810.

The Council shall cooperate with State and local units that have relevant statutory functions and duties.

§13–901.

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

(b) "Commissioner" means a member of the Board of County Commissioners of Caroline County or a member of the County Council of Dorchester County or Talbot County.

(c) "Council" means the Mid-Shore Regional Council.

(d) "Executive Director" means the Executive Director of the Council.

(e) "Region" means Caroline, Dorchester, and Talbot counties.

§13–902.

(a) There is a Mid–Shore Regional Council.

(b) (1) The Council is a tax–exempt body politic and corporate.

(2) The Council is an independent unit that the Governor may not place in a principal department.

(c) (1) The Council is a cooperative regional planning and development unit for the region.

(2) The purposes of the Council are to:

(i) foster the physical, economic, and social development of the region; and

(ii) use effectively the assistance provided to the region by the State.

(3) The Council initiates and coordinates plans and projects for the development of human and economic resources of the region as a planning and development unit for the Middle Eastern Shore.

§13–903.

(a) (1) The Council consists of the members described in this subsection.

(2) The voting members of the Council are:

(i) from Caroline County, two commissioners, appointed by the

Board of County Commissioners;

(ii) from Dorchester County, two members of the county council, appointed by the county council;

(iii) from Talbot County, two members of the county council, appointed by the county council;

(iv) three municipal elected officials, one from each county, appointed by:

1. their respective municipal corporations; or

2. the Eastern Shore Municipal Association if the municipal corporations are unable to appoint a member within a reasonable time; and

(v) if the majority of the member's legislative district is in the region, each member of the General Assembly representing the region.

(3) The nonvoting members of the Council are:

(i) each commissioner in the region who is not appointed under paragraph (2) of this subsection;

(ii) each other member of the General Assembly representing the region if the majority of the member's legislative district is not in the region; and

(iii) three county administrators, one from each county.

(4) The bylaws of the Council may provide for additional members who are public officials or employees or private individuals.

(b) (1) A member appointed under subsection (a)(2)(i), (ii), or (iii) of this section may designate another commissioner or a county administrator representing the same county to vote by proxy for the member when the member is absent from a meeting.

(2) A member who designates a proxy shall inform the Executive Director in advance of the meeting.

(c) (1) A member who qualifies because of the member's elected or appointed position is a member of the Council only during the member's term of office in the elected or appointed position.

(2) At the end of a term, a member continues to serve until a successor is appointed.

(d) Council membership is not an office of profit.

§13–904.

The Council shall elect a chair from among its members.

§13–905.

A member of the Council is not entitled to compensation as a member of the Council.

§13–906.

(a) The Council may employ an Executive Director.

(b) The Executive Director serves at the pleasure of the Council.

§13–907.

The Council may:

(1) select and retain its own counsel; or

(2) use the Attorney General as its legal counsel.

§13–908.

(a) The State and Caroline, Dorchester, and Talbot counties may jointly finance the Council and its activities.

(b) (1) The State may provide financial support to the Council to assist in carrying out the activities of the Council.

(2) (i) On or before August 1 of each year, the Council shall submit its proposed work programs and operating budget for the following fiscal year to the Department.

(ii) The submission shall include supporting schedules to show how the budget is financed, and to provide for review and recommendations.

(iii) After review, the Department shall forward the submission and any recommendations to the Department of Budget and Management for consideration.

(3) The Governor shall include in the State budget an appropriation for the following fiscal year of at least $200,000 to support the Council.

(c) (1) The governing bodies of Caroline, Dorchester, and Talbot counties each year shall appropriate to the Council at least $10,000 each to foster cooperative planning and development in the region.

(2) Caroline, Dorchester, and Talbot counties may appropriate any other

money for the Council as they consider necessary and appropriate.

(3) Other political subdivisions, including special districts, may appropriate money to the Council as they consider necessary and appropriate.

(d) The Council may accept additional money from any other public or private source.

§13–909.

The Council may adopt bylaws and rules for the conduct of its business and to carry out its mission.

§13–910.

The Council shall cooperate with State and local units that have relevant statutory functions and duties.

§13–1001.

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

(b) "Commissioner" means a member of the Board of County Commissioners of Cecil County, Kent County, or Queen Anne's County.

(c) "Council" means the Upper Shore Regional Council.

(d) "Executive Director" means the Executive Director of the Council.

(e) "Region" means Cecil, Kent, and Queen Anne's counties.

§13–1002.

(a) There is an Upper Shore Regional Council.

(b) (1) The Council is a tax–exempt body politic and corporate.

(2) The Council is an independent unit that the Governor may not place in a principal department.

(c) (1) The Council is a cooperative regional planning and development unit for the region.

(2) The purposes of the Council are to:

(i) foster the physical, economic, and social development of the region; and

(ii) use effectively the assistance provided to the region by the State.

(3) The Council initiates and coordinates plans and projects for the development of human and economic resources of the region as a planning and development unit for the Upper Eastern Shore.

§13–1003.

(a) (1) The Council consists of the members described in this subsection.

(2) The voting members of the Council are:

(i) from Cecil County, three commissioners, appointed by the Board of County Commissioners;

(ii) from Kent County, the three commissioners;

(iii) from Queen Anne's County, three commissioners, appointed by the Board of County Commissioners;

(iv) three municipal elected officials, one from each county, appointed by:

1. their respective municipal corporations; or

2. the Eastern Shore Municipal Association if the municipal corporations are unable to appoint a member within a reasonable time; and

(v) if the majority of the member's legislative district is in the region, each member of the General Assembly representing the region.

(3) The nonvoting members of the Council are:

(i) each commissioner in the region who is not appointed under paragraph (2) of this subsection;

(ii) each other member of the General Assembly representing the region if the majority of the member's legislative district is not in the region; and

(iii) three county administrators, one from each county.

(4) The bylaws of the Council may provide for additional members who are private individuals.

(b) (1) A member appointed under subsection (a)(2)(i), (ii), or (iii) of this section may designate another commissioner or a county administrator representing the same county to vote by proxy for the member when the member is absent from a meeting.

(2) A member who designates a proxy shall inform the Executive Director in advance of the meeting.

(c) (1) A member who qualifies because of the member's elected or appointed position is a member of the Council only during the member's term of office in the elected or appointed position.

(2) At the end of a term, a member continues to serve until a successor is appointed and qualifies.

(d) Council membership is not an office of profit.

§13–1004.

The Council shall elect a chair from among its members.

§13–1005.

A member of the Council is not entitled to compensation as a member of the Council.

§13–1006.

(a) The Council may employ an Executive Director.

(b) The Executive Director serves at the pleasure of the Council.

§13–1007.

The Council may:

(1) select and retain its own legal counsel; or

(2) use the Attorney General as its legal counsel.

§13–1008.

(a) The State and Cecil, Kent, and Queen Anne's counties may jointly finance the Council and its activities.

(b) (1) The State may provide financial support to the Council to assist in carrying out the activities of the Council.

(2) (i) On or before August 1 of each year, the Council shall submit its proposed work programs and operating budget for the following fiscal year to the Department.

(ii) The submission shall include supporting schedules to show how the budget is financed, and to provide for review and recommendations.

(iii) After review, the Department shall forward the submission and any recommendations to the Department of Budget and Management for consideration.

(c) (1) The governing bodies of Cecil, Kent, and Queen Anne's counties each year shall appropriate to the Council at least $10,000 each to foster cooperative planning and development in the region.

(2) Cecil, Kent, and Queen Anne's counties may appropriate any other money for the Council as they consider necessary and appropriate.

(3) Other political subdivisions, including special districts, may appropriate money for the Council as they consider necessary and appropriate.

(d) The Council may accept additional money from any other public or private source.

§13–1009.

The Council may adopt bylaws and rules for the conduct of its business and to carry out its mission.

§13–1010.

The Council shall cooperate with State and local units that have relevant statutory functions and duties.

§13–1101.

In this subtitle, "Advisory Committee" means the Maryland Lower Eastern Shore Tourism Center Advisory Committee.

§13–1102.

There is a Maryland Lower Eastern Shore Tourism Center Advisory Committee.

§13–1103.

(a) (1) The Advisory Committee consists of nine members.

(2) Of the nine members:

(i) three shall be from Somerset County;

(ii) three shall be from Wicomico County; and

(iii) three shall be from Worcester County.

(3) The governing body of each county shall appoint the members from that county.

(b) Each member of the Advisory Committee shall be a member of the general public and reside in the county from which the member is appointed.

(c) (1) The term of a member is 5 years.

(2) The terms of members are staggered as required by the terms provided for members of the Advisory Committee on October 1, 2008.

(3) At the end of a term, a member continues to serve until a successor is appointed and qualifies.

(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(d) The governing body that appointed a member may remove the member for incompetence or misconduct.

§13–1104.

The Advisory Committee shall advise and counsel the Department on the development and operation of the Maryland Lower Eastern Shore Tourism Center.

§13–1201.

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

(b) "Additive manufacturing" means a process of joining materials to make objects from three–dimensional model data, usually layer upon layer, as opposed to subtractive manufacturing methodologies.

(c) "Authority" means the Northeastern Maryland Additive Manufacturing Innovation Authority.

(d) "Board" means the Executive Board of the Authority.

(e) "Executive Director" means the Executive Director of the Authority.

(f) "Fund" means the Northeastern Maryland Additive Manufacturing Innovation Authority Fund.

(g) "Region" means Cecil and Harford counties.

§13–1202.

(a) There is a Northeastern Maryland Additive Manufacturing Innovation Authority.

(b) (1) The Authority is a tax–exempt body politic and corporate.

(2) The Authority is an independent unit that the Governor may not place in a principal department of State government.

(c) The purposes of the Authority are to:

(1) foster the economic development of the region by:

(i) promoting collaboration among government, businesses, educational institutions, and entrepreneurs and innovators; and

(ii) leveraging the established additive manufacturing investments in the region, including the facilities at Aberdeen Proving Ground; and

(2) position the State as a leader in additive manufacturing.

§13–1203.

(a) An Executive Board shall manage the Authority and exercise its corporate powers.

(b) (1) The Board consists of the members described in this subsection.

(2) The voting members of the Board are:

(i) the Secretary of Commerce, or the Secretary's designee;

(ii) the President of Harford Community College, or the President's designee;

(iii) the President of Cecil College, or the President's designee;

(iv) the President of Towson University, or the President's designee;

(v) one representative of the Governor's Workforce Investment Board, appointed by the Executive Director of the Board;

(vi) the Commanding General of Aberdeen Proving Ground, or the Commanding General's designee;

(vii) the Director of the Regional Manufacturing Institute, or the Director's designee;

(viii) the Superintendent of the Harford County Public Schools, or the Superintendent's designee;

(ix) the Superintendent of the Cecil County Public Schools, or the Superintendent's designee;

(x) the County Executive of Cecil County, or the County Executive's designee;

(xi) the County Executive of Harford County, or the County

Executive's designee;

(xii) one representative of the Susquehanna Workforce Network, appointed by the Executive Director of the network;

(xiii) one representative of the Army Alliance, appointed by the Executive Director of the alliance;

(xiv) one representative of the Northeastern Maryland Technology Council, appointed by the Executive Director of the council;

(xv) the Director of the Cecil County Public Library, or the Director's designee;

(xvi) the Director of the Harford County Public Library, or the Director's designee;

(xvii) one representative of 3D Maryland, appointed by the Director of 3D Maryland;

(xviii) one representative of the Maryland Advisory Commission on Manufacturing Competitiveness, appointed by the Chair of the Commission; and

(xix) six representatives of industry who reflect the influential and emerging industries using additive manufacturing as determined by the Department, appointed by the Secretary of Commerce.

(3) In addition to the voting members, the Executive Director of the Authority shall serve as an ex officio nonvoting member of the Board.

(4) To the extent practicable, the members of the Board shall reasonably reflect the geographic, racial, ethnic, cultural, and gender diversity of the State.

(c) (1) The term of an appointed member is 4 years.

(2) At the end of a term, an appointed member continues to serve until a successor is appointed and qualifies.

(3) A member appointed to fill a vacancy in an unexpired term serves only for the remainder of the term and until a successor is appointed and qualifies.

(d) The Board shall elect a chair from among its members.

(e) A member of the Board:

(1) may not receive compensation as a member of the Board; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) (1) Beginning on or before August 1, 2014, and continuing until July 1, 2015, the Board shall hold at least one regular meeting each month.

(2) After July 1, 2015, the Board shall hold meetings quarterly or more often if necessary to implement the purposes of this subtitle.

(g) (1) The Board may establish committees to conduct its work.

(2) The membership of a committee may include individuals who are not members of the Board, including representatives of design, manufacturing, and other related businesses.

§13–1204.

(a) (1) The Board shall appoint an Executive Director.

(2) The Executive Director serves at the pleasure of the Board.

(3) The Board shall determine the salary of the Executive Director.

(b) (1) The Executive Director is the chief administrative officer of the Authority.

(2) The Executive Director shall manage the administrative affairs and technical activities of the Authority in accordance with the policies and procedures that the Board establishes.

§13–1205.

(a) The Department, the Cecil County Office of Economic Development, and the Harford County Office of Economic Development jointly shall provide staff, office space, and operational support for the Authority.

(b) The Authority may:

(1) (i) select and retain its own legal counsel; or

(ii) use the Attorney General as its legal counsel;

(2) employ, as regular employees or as independent contractors, additional staff that the Authority considers necessary; and

(3) retain any professional consultants that the Authority considers necessary.

§13–1206.

The Authority may:

(1) adopt a seal;

(2) sue or be sued;

(3) adopt bylaws and rules for the conduct of its business;

(4) enter into contracts and other legal instruments;

(5) accept grants, contributions, or other assistance of any kind from the federal government, the State, a local government, a college or university, or other public or private source;

(6) include in any contract for financial assistance with the federal government any reasonable and appropriate condition imposed under federal law that is not inconsistent with the purposes of this subtitle;

(7) make grants from the Fund to further the purposes of this subtitle;

(8) create, own, control, or be a member of a corporation, limited liability company, partnership, or any other entity; and

(9) do all things necessary or convenient to carry out the purposes of this subtitle.

§13–1207.

To further the purposes of this subtitle, the Authority shall:

(1) foster collaborative efforts, including public–private partnerships and memoranda of understanding, among government agencies, military installations, educational institutions, businesses, nonprofit organizations, individuals, and other entities in the region to:

(i) share resources, including existing manufacturing infrastructure;

(ii) cooperate in the development of new products and processes; and

(iii) bridge gaps between research, product development, and the commercial application of new technologies and manufacturing processes;

(2) facilitate the involvement of Harford Community College, Cecil College, Towson University, and other segments of the higher education community in developing and sustaining a skilled additive manufacturing workforce through degree, certification, specialized training, and continuing education programs;

(3) assist the Cecil County and Harford County public school systems in preparing students for employment in the additive manufacturing workforce;

(4) support manufacturing businesses in retaining and expanding production and jobs;

(5) obtain, coordinate, and disseminate marketing resources to promote and enhance additive manufacturing opportunities and investment in the region;

(6) support priority access to workforce training funds and enterprise investment tax credits for entities that are investing resources and creating jobs in the region;

(7) pursue federal, State, local, and other public and private funding and collaboration initiatives; and

(8) perform any other function consistent with the purposes of this subtitle.

§13–1208.

(a) (1) Except as provided in paragraph (2) of this subsection, the Authority is exempt from Title 10 and Division II of the State Finance and Procurement Article.

(2) The Authority, its Board, and its employees are subject to Title 12, Subtitle 4 and Title 14, Subtitle 3 of the State Finance and Procurement Article.

(b) The officers and employees of the Authority are not subject to the provisions of Division I of the State Personnel and Pensions Article that govern the State Personnel Management System.

(c) The Authority is subject to the Public Information Act.

(d) The Board and the officers and employees of the Authority are subject to the Public Ethics Law.

§13–1209.

(a) The State and Cecil and Harford counties jointly may finance the Authority and its activities.

(b) (1) The State may provide financial support to the Authority to assist in carrying out the activities of the Authority.

(2) (i) On or before August 1 of each year, the Authority shall submit its proposed work programs and operating budget for the following fiscal year to the Department.

(ii) The submission shall include supporting schedules to show how the budget is financed and to provide for review and recommendations.

(iii) After review, the Department shall forward the submission and

any recommendations to the Department of Budget and Management for consideration.

(3) (i) In accordance with subparagraph (ii) of this paragraph, for fiscal year 2016 and each fiscal year thereafter, the Governor may include in the State budget an appropriation to partially support the Authority.

(ii) 1. Any appropriation in a fiscal year under subparagraph (i) of this paragraph shall be contingent on the commitment of Cecil and Harford counties to contribute funds to the Authority during the same fiscal year.

2. In determining the amount of an appropriation in a fiscal year, it is the intent of the General Assembly that the appropriation shall equal at least two times the total amount committed to be contributed by Cecil and Harford counties in the same fiscal year.

(c) (1) The governing bodies of Cecil and Harford counties each year may appropriate funds to the Authority to promote the purposes of the Authority.

(2) An appropriation under paragraph (1) of this subsection may be a designated portion of the budget of the county Office of Economic Development.

(d) The Authority may accept additional money from any other public or private source.

§13–1210.

The Authority shall cooperate with State and local units that have relevant statutory functions and duties.

§13–1211.

(a) There is a Northeastern Maryland Additive Manufacturing Innovation Authority Fund.

(b) The purpose of the Fund is to implement this subtitle.

(c) The Authority shall administer the Fund.

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

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

(e) The Fund consists of:

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

(2) money appropriated by Cecil and Harford counties to the Authority;

(3) money made available to the Fund through federal programs;

(4) interest and investment earnings of the Fund; and

(5) any other money from any other source accepted for the benefit of the Fund.

(f) The Fund may be used only to:

(1) provide grants for projects that further the purposes of this subtitle; and

(2) pay the administrative and operational expenses of the Authority.

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

(2) Any investment earnings of the Fund shall be paid into the Fund.

(h) Money provided to the Fund that is not awarded by the end of the fiscal year shall remain in the Fund.

§13–1212.

The Authority shall submit to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly:

(1) on or before December 1, 2014, an update on the activities of the Authority in implementing the provisions of this subtitle; and

(2) on or before December 1, 2015, and each year thereafter, a complete operating and financial statement covering the Authority's operations and a summary of the Authority's activities during the preceding fiscal year.

§14–101.

(a) The State:

(1) recognizes the declaration of the Joint Economic Committee of the Congress of the United States that broadening the ownership of capital and achieving full employment should be the twin pillars of economic policy; and

(2) encourages the broadening of the base of capital ownership among greater numbers of the residents of the State through, as one means, the use of employee stock ownership plans.

(b) The General Assembly finds that employee stock ownership plans, as defined in the Internal Revenue Code, make an important contribution toward the broadening of capital ownership, increase the income and financial security of the

residents of the State, assure the residents of the State greater control of their economic futures, improve productivity and labor–management relations, contribute to the national effort to combat inflation, strengthen the free enterprise system, and put Maryland in the forefront of contemporary economic trends.

§14–102.

The Maryland State Office of Minority Business Enterprise, the Division of Labor and Industry of the Department of Labor, Licensing, and Regulation, and the Public Service Commission shall summarize their efforts to promote the policies related to broadening the ownership of capital in their respective annual reports as required by law.

§14–103.

(a) The Department shall attempt to use to the greatest extent feasible minority business enterprises to provide brokerage and investment management services for any fund established under this article consistent with minority business purchasing standards applicable to units of State government under the State Finance and Procurement Article and consistent with the fiduciary duties of the Department.

(b) For purposes of this subsection, brokerage and investment management services shall include services relating to all allocated asset classes.

(c) (1) To assist the Department in achieving the goal described under subsection (a) of this section, the Department shall undertake measures to remove any barriers that limit full participation by minority business enterprises in brokerage and investment management services opportunities afforded by any fund established under this article.

(2) The measures undertaken by the Department shall include the use of a wide variety of media, including the Department's Web site, to provide notice to a broad and varied range of potential providers about the brokerage and investment management services opportunities afforded under this article.

(d) In conjunction with the Governor's Office of Minority Affairs, the Department shall develop guidelines to assist it in identifying and evaluating qualified minority business enterprises in order to help it achieve the objective for greater use of minority business enterprises for brokerage and investment management services under this article.

(e) On or before September 1 each year, the Department shall submit a report to the Governor's Office of Minority Affairs and, subject to § 2–1246 of the State Government Article, the General Assembly on:

(1) the identity of the minority business enterprise brokerage and investment management services firms used by any fund established under this article in the immediately preceding fiscal year;

(2) the percentage and dollar value of the assets under the custody of each entity that are under the investment control of minority business enterprise brokerage and investment management services firms in each allocated asset class; and

(3) the measures the entity undertook in the immediately preceding fiscal year in accordance with subsection (c)(2) of this section.

§14–104.

This subtitle may be cited as the Broadened Ownership Act.

§14–201.

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

(b) "Office" means of the Office the Business Ombudsman.

(c) "Ombudsman" means an individual appointed by the Governor who serves as a liaison between businesses, economic development organizations, communities, and federal, State, and local units and agencies.

§14–202.

(a) There is an Office of the Business Ombudsman in the Office of the Governor.

(b) The purpose of the Office is to:

(1) resolve problems encountered by businesses interacting with State agencies;

(2) facilitate responsiveness of State government to business needs;

(3) serve as a central clearinghouse of information for business assistance programs and services available in the State;

(4) assist businesses by referring businesses and individuals to resources that provide the business services or assistance requested;

(5) provide comprehensive permit information and assistance;

(6) establish and maintain metrics in order to monitor the progress of the Office and report the data to the Governor and the General Assembly; and

(7) report and make recommendations to the Governor and the General Assembly regarding breakdowns in the delivery of economic development resources and programs, including problems encountered by businesses interacting with State agencies.

§14–203.

The Office shall:

(1) establish, maintain, and update each year a list of the business assistance programs and services in the State, including the names, locations, Web site addresses, and telephone numbers of the entities providing the programs and services;

(2) implement a business fairness and responsiveness service that:

(i) resolves problems encountered by businesses with other State agencies and regional and local economic development organizations;

(ii) coordinates programs and services implemented by federal, State, and local agencies;

(iii) facilitates responsiveness of State government to business needs; and

(iv) reports to the Governor and the General Assembly regarding any breakdowns in the delivery of economic development resources and programs;

(3) develop and maintain a program to provide comprehensive information to the public regarding permits required for business initiatives, projects, and activities;

(4) establish and implement procedures to assist permit applicants who have encountered difficulties in obtaining timely and efficient permit review; and

(5) administer and oversee the State Customer Service and Business Development Efforts Training Program under § 14–204 of this subtitle.

§14–204.

(a) There is a State Customer Service and Business Development Efforts Training Program.

(b) The purpose of the program is to increase the responsiveness of and improve customer service provided by State agencies to businesses and customers in the State.

(c) The following agencies shall participate in the program:

(1) the Department;

(2) the State Department of Assessments and Taxation;

(3) the Department of the Environment;

(4) the Department of Labor, Licensing, and Regulation; and

(5) the State Highway Administration.

(d) The Office shall develop State customer service standards that identify best practices for providing excellent customer service.

(e) Each participating agency shall:

(1) create a customer service improvement plan;

(2) review and incorporate the Office's State customer service standards in the agency's customer service improvement plan;

(3) develop and conduct customer service training for each employee who interacts with businesses and members of the public on a regular basis;

(4) adopt and distribute a standard customer service satisfaction survey for each person the agency serves;

(5) establish an incentive or recognition program for employees who provide excellent customer service; and

(6) report each year on:

(i) the training provided to employees, including:

1. the number of trainings;

2. the frequency of trainings; and

3. the specific subject of each training;

(ii) the responses received from customer service satisfaction surveys distributed under item (4) of this subsection;

(iii) the progress of the agency's customer service, including the metrics the agency uses to assess the customer service of the agency; and

(iv) the agency's measurable goals for continuing to improve customer service for the upcoming year.

(f) Each year the Office shall evaluate the State Customer Service and Business Development Efforts Training Program and make recommendations regarding the program.

§14–205.

(a) (1) Each year, the Office shall submit a report to the Governor and, in accordance with § 2–1246 of the State Government Article, the standing committees of the General Assembly having jurisdiction over economic development matters.

(2) The report shall contain:

(i) information regarding the performance of the Office, including data indicating the effectiveness of programs and procedures regarding permitting;

(ii) data specifying the number of businesses and individuals that have contacted the Office or used the services of the Office; and

(iii) recommendations regarding improvements to existing laws relating to economic development.

(3) The report shall include information and recommendations developed for the State Customer Service and Business Development Efforts Training Program under § 14–204 of this subtitle.

(b) In fiscal year 2016 and in each fiscal year thereafter, the Governor shall include funds in the State budget to implement this subtitle, including funds to:

(1) employ a full–time ombudsman; and

(2) operate and maintain an office.

§14–301.

(a) (1) In this section the following words have the meanings indicated.

(2) "Unmanned aircraft" means the flying portion of an unmanned aircraft system, flown by a pilot via a ground control system, or autonomously through use of an onboard computer, a communication link, and any additional equipment that is necessary for the unmanned aircraft to operate safely.

(3) "Unmanned aircraft system" means an unmanned aircraft and all the associated support equipment, control stations, data links, telemetry, communications and navigation equipment, and other equipment necessary to operate the unmanned aircraft.

(b) Only the State may enact a law or take any other action to prohibit, restrict, or regulate the testing or operation of unmanned aircraft systems in the State.

(c) Subsection (b) of this section:

(1) preempts the authority of a county or municipality to prohibit, restrict, or regulate the testing or operation of unmanned aircraft systems; and

(2) supersedes any existing law or ordinance of a county or municipality that prohibits, restricts, or regulates the testing or operation of unmanned aircraft systems.

(d) This section does not affect federal preemption of State law.

§15–101.

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

(b) "Financial assistance" means a grant or loan from the Fund.

(c) "Fund" means the Baltimore City Community Enhancement Transit–Oriented Development Fund.

(d) "Qualified project area" means a community that is:

(1) located in Baltimore City; and

(2) directly impacted by and within 0.5 miles of the boundary of a development that has been designated as a transit–oriented development.

(e) "Qualified recipient" means an entity that is based in and serves a qualified project area and is:

(1) a not for profit community–based organization that has experience in making physical, human capital, and economic investments to rebuild communities; or

(2) a community development corporation.

(f) "Transit–oriented development" has the meaning stated in § 7–101 of the Transportation Article.

§15–102.

(a) The General Assembly finds that:

(1) while State and privately funded transit–oriented development is paramount and necessary for the orderly economic development of the State, such development should be pursued in a manner that extends benefits to and minimizes negative impacts on the communities in and adjacent to the development;

(2) in order to preserve and enhance the State's diverse cultural fabric in communities affected by transit–oriented development, it is essential for the public and private sectors to cooperate in developing partnerships that aim to stabilize such communities;

(3) it is most fruitful to seek community input and involvement from organizations in areas affected by transit–oriented development in order to best address the physical, cultural, and economic impacts of the development; and

(4) fostering community–based initiatives for neighborhood stability and growth is in the public interest.

(b) The purpose of this title is to promote and assist community–based

initiatives that enhance neighborhood stability and economic growth in communities that are directly impacted by State– and privately funded transit–oriented development.

§15–103.

This title applies only in Baltimore City.

§15–104.

(a) There is a Baltimore City Community Enhancement Transit–Oriented Development Fund.

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

§15–105.

(a) The purpose of the Fund is to promote and assist community–based initiatives in qualified project areas consistent with the purpose of this title.

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

(c) (1) The Fund consists of:

(i) money appropriated in the State budget to the Fund;

(ii) proceeds of bonds that are made available for the use of the Fund, including general obligation bonds and grant anticipation revenue vehicles;

(iii) money made available for qualifying uses by the Fund from other governmental sources, including community development block grants and the Maryland Transportation Trust Fund;

(iv) contributions to the Fund made by the private developers of the relevant transit–oriented development;

(v) ground rents or land sale proceeds in accordance with § 10–306(c)(1) of the State Finance and Procurement Article;

(vi) payments of principal of and interest on loans made under this title;

(vii) investment earnings of the Fund; and

(viii) any other money from any other source, public or private, accepted for the benefit of the Fund.

(2) Contributions to the Fund under paragraph (1)(iv) of this subsection shall be separately accounted for in the Fund so that the revenue derived from a development in a particular qualified project area shall return to a qualified recipient in that qualified project area.

(3) Subject to paragraph (2) of this subsection, the Comptroller shall:

(i) pay money in the Fund in annual installments to the Mayor and City Council of Baltimore City; and

(ii) ensure that the money in the Fund is distributed in the manner that best accomplishes the purpose of the Fund under this title.

§15–106.

The Fund may be used by the Mayor and City Council of Baltimore City or awarded to a qualified recipient by the Mayor and City Council only for:

(1) operating support for or building the capacity of qualified recipients;

(2) economic and physical improvements to the community through projects that reinvest in and revitalize the community;

(3) the development of women–owned, minority–owned, and small businesses;

(4) the development of recreational facilities, parks, or improvements to the natural environment;

(5) the development and preservation of affordable and workplace housing;

(6) expansion of school programs and capital improvements to school facilities that serve the area;

(7) job training and workforce development; or

(8) counseling for housing and small business development.

§15–107.

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

(b) Any investment earnings of the Fund shall be paid into the Fund.