

1 WHEREAS, Developing a vehicle for safe and sound insurance investments
2 targeted to community-based economic development and affordable housing would
3 provide needed capital and strengthen capital-starved communities; now, therefore,

4 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
5 MARYLAND, That:

6 (a) There is a Task Force to Study the Creation of an Insurance Industry
7 Community Investment Fund.

8 (b) The Task Force consists of the following 22 members:

9 (1) Three members of the House of Delegates, appointed by the Speaker
10 of the House;

11 (2) Three members of the Senate of Maryland, appointed by the
12 President of the Senate;

13 (3) Three members of the insurance industry who have experience in
14 making insurance industry investments, appointed by the Governor;

15 (4) Three insurance industry representatives from property/casualty and
16 life insurance companies, appointed by the Governor;

17 (5) Three practitioners from community development and affordable
18 housing industries who have worked in economic development or affordable housing
19 in Maryland, appointed by the Governor;

20 (6) Three community development industry intermediaries who provide
21 training and technical assistance or serve as an investment conduit for community
22 developers, appointed by the Governor;

23 (7) One staff member from the Department of Housing and Community
24 Development, appointed by the Secretary of Housing and Community Development;

25 (8) One staff member from the Maryland Insurance Administration,
26 appointed by the Insurance Commissioner;

27 (9) One staff member from the Office of the Comptroller, appointed by
28 the Comptroller; and

29 (10) A Task Force Chairman who is an individual from a national
30 organization familiar with safe and sound community development lending and
31 investment practices, appointed by the Governor.

32 (c) The Task Force shall be staffed by the Maryland Insurance Administration
33 and the Office of Legislative Services.

34 (d) The Task Force shall study the feasibility of creating a Maryland
35 Insurance Industry Community Investment Fund for economic development and
36 affordable housing for low income people by:

1 (1) Determining current insurance company investments in Maryland
2 community development activities that directly benefit low income individuals;

3 (2) Identifying the capital needs for community development and
4 affordable housing in Maryland;

5 (3) Determining whether investments from State-derived
6 property/casualty and life insurance premiums can help meet those capital needs
7 while maintaining the safety and soundness standards required by the Maryland
8 Insurance Administration and providing a reasonable rate of return for insurers;

9 (4) Establishing the parameters of community development projects that
10 would qualify for investments from such a community investment fund;

11 (5) Recommending the entity that will administer investments under the
12 criteria determined by the Task Force;

13 (6) Considering possible incentive programs, including any tax
14 implications of those incentives, to encourage investments by property/casualty
15 insurers; and

16 (7) Determining whether to establish insurance company premium
17 thresholds for participation in a community investment fund.

18 (e) The Task Force shall issue a final report with recommendations about the
19 viability of a Maryland Insurance Industry Community Investment Fund, including
20 the qualifying criteria for the projects that meet the safety and soundness investment
21 standards, to the Governor and, subject to § 2-1246 of the State Government Article,
22 to the General Assembly on or before January 1, 2000.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 June 1, 1999 and the members of the Task Force shall be appointed as soon as
25 possible after June 1, 1999. This Act shall remain in effect for 7 months, and at the
26 end of December 31, 1999, with no further action required by the General Assembly,
27 this Act shall be abrogated and of no further force and effect.