

# HOUSE BILL 1258

J1, Q3, Q4

1lr2887

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By: **Delegate Kipke**

Introduced and read first time: February 8, 2021

Assigned to: Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Health Enterprise Zones – Established**  
3 **(Restoring the Promise Act of 2021)**

4 FOR the purpose of requiring the Governor to include a certain amount of funding in the  
5 annual budget bill for a certain fiscal year for certain purposes; requiring the  
6 Secretary of Health to designate certain areas as Health Enterprise Zones in a  
7 certain manner; specifying the purpose of establishing Health Enterprise Zones;  
8 authorizing the Secretary to adopt certain regulations; requiring the Secretary to  
9 consult with the Office of Minority Health and Health Disparities in implementing  
10 certain provisions of this Act; requiring the Secretary to allocate staff and resources  
11 to carry out certain provisions of this Act; authorizing the Secretary to form formal  
12 or informal working or advisory groups to facilitate the implementation of this Act;  
13 authorizing nonprofit community-based organizations, nonprofit hospitals,  
14 institutions of higher education, and local government agencies to apply to the  
15 Secretary on behalf of certain areas for designation as Health Enterprise Zones;  
16 establishing certain procedures and requirements in connection with the application  
17 process; authorizing an application to include certain elements; requiring the  
18 application to allocate certain funding to cover certain costs for a certain employee;  
19 requiring the Secretary to consider certain factors and prioritize certain applications  
20 when designating areas as Health Enterprise Zones; authorizing the Secretary to  
21 conduct certain outreach for a certain purpose; establishing certain requirements for  
22 an employee to be designated as an evaluator; establishing that the Secretary's  
23 decision to designate an area as a Health Enterprise Zone is final; authorizing  
24 certain health care providers who practice in Health Enterprise Zones to receive  
25 certain tax credits, assistance, and grants; authorizing certain nonprofit  
26 community-based organizations, nonprofit hospitals, institutions of higher  
27 education, and local government agencies to receive certain grants; establishing a  
28 Health Enterprise Zone Reserve Fund; establishing the purpose and contents of the  
29 Fund; requiring the Secretary to administer the Fund; requiring the Fund to provide  
30 certain money to the Maryland Department of Health to supplement and not  
31 supplant existing funding for certain programs; requiring the State Treasurer to

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 invest the money of the Fund in a certain manner; requiring the interest earnings of  
2 the Fund to be credited to the Fund; exempting the Fund from a certain provision of  
3 law requiring interest earnings on State money to accrue to the General Fund of the  
4 State; requiring certain nonprofit community-based organizations, nonprofit  
5 hospitals, institutions of higher education, and local government agencies to submit  
6 certain reports; authorizing the Secretary to revoke a designation of an area as a  
7 Health Enterprise Zone under certain circumstances; requiring the Secretary to  
8 submit certain reports; establishing that a designation of an area as a Health  
9 Enterprise Zone has a term of a certain length and may be renewed in a certain  
10 manner; requiring the Governor to appropriate a certain amount of funding in the  
11 annual budget bill to the Fund; authorizing certain credits against the State income  
12 tax for certain health care providers and organizations under certain circumstances;  
13 authorizing certain nonprofit community-based organizations, nonprofit hospitals,  
14 institutions of higher education, and local government agencies to apply for certain  
15 tax credits under certain circumstances for certain health care providers;  
16 authorizing a health care practitioner or community-based organization to claim a  
17 certain refundable tax credit under certain circumstances; establishing certain  
18 procedures and requirements for certifying certain tax credits; establishing a certain  
19 limit on the amount of certain tax credits allowed for a fiscal year; requiring the  
20 Secretary, in consultation with the Comptroller, to adopt certain regulations;  
21 defining certain terms; providing for the application and construction of certain  
22 provisions of this Act; and generally relating to health improvement, developmental  
23 disabilities services, and the reduction of health disparities.

24 BY repealing and reenacting, with amendments,  
25 Article – Health – General  
26 Section 7–205  
27 Annotated Code of Maryland  
28 (2019 Replacement Volume and 2020 Supplement)

29 BY adding to  
30 Article – Health – General  
31 Section 20–1401 through 20–1407 to be under the new subtitle “Subtitle 14. Health  
32 Enterprise Zones”  
33 Annotated Code of Maryland  
34 (2019 Replacement Volume and 2020 Supplement)

35 BY repealing and reenacting, without amendments,  
36 Article – State Finance and Procurement  
37 Section 6–226(a)(2)(i)  
38 Annotated Code of Maryland  
39 (2015 Replacement Volume and 2020 Supplement)

40 BY repealing and reenacting, with amendments,  
41 Article – State Finance and Procurement  
42 Section 6–226(a)(2)(ii)122. and 123.  
43 Annotated Code of Maryland

1 (2015 Replacement Volume and 2020 Supplement)

2 BY adding to

3 Article – State Finance and Procurement

4 Section 6–226(a)(2)(ii)124.

5 Annotated Code of Maryland

6 (2015 Replacement Volume and 2020 Supplement)

7 BY repealing and reenacting, with amendments,

8 Article – Tax – General

9 Section 2–1303

10 Annotated Code of Maryland

11 (2016 Replacement Volume and 2020 Supplement)

12 BY adding to

13 Article – Tax – General

14 Section 10–731

15 Annotated Code of Maryland

16 (2016 Replacement Volume and 2020 Supplement)

17 BY repealing and reenacting, without amendments,

18 Article – Tax – General

19 Section 11–104(g)

20 Annotated Code of Maryland

21 (2016 Replacement Volume and 2020 Supplement)

22 Preamble

23 WHEREAS, Chapter 571 (SB 994) of 2011 increased the sales and use tax on alcohol  
24 from 6% to 9%; and

25 WHEREAS, For 2 years prior to the passage of Chapter 571 of 2011, Marylanders  
26 with intellectual and developmental disabilities and their families rallied for this increase  
27 in the sales and use tax on alcohol to be dedicated to health care initiatives, including  
28 reducing waitlists for Developmental Disabilities Administration (DDA) services; and

29 WHEREAS, Chapter 571 of 2011 created only a one–time appropriation of  
30 \$15,000,000 to the DDA Waitlist Initiative for fiscal year 2012; and

31 WHEREAS, A 2016 study in the American Journal of Drug and Alcohol Abuse  
32 entitled “Impact of Maryland’s 2011 Alcohol Sales Tax Increase on Alcoholic Beverage  
33 Sales” found that, in the 18 months after the tax increase, Maryland saw a 3.8% decline in  
34 total alcohol sales, a 5.1% decline in average per capita sales of spirits, a 3.2% decline in  
35 beer sales, and a 2.5% decline in wine sales; and

36 WHEREAS, The Maryland Health Improvement and Disparities Reduction Act of  
37 2012 (Chapter 3 of 2012) established Health Enterprise Zones to target State resources to

1 reduce health disparities, improve health outcomes, and reduce health costs and hospital  
2 admissions and readmissions in specific areas of the State, but the provisions of that Act  
3 terminated on July 1, 2017; and

4 WHEREAS, A 2018 study by researchers at the Johns Hopkins Bloomberg School of  
5 Public Health concluded that the net cost savings of the Health Enterprise Zones initiative  
6 far outweighed the initiative's cost to the State and that renewing that initiative would be  
7 a viable way to reduce inpatient admissions and reduce health care costs; and

8 WHEREAS, The COVID-19 pandemic has caused significant economic harm to  
9 Maryland's businesses, particularly the restaurant and hospitality industries, and raising  
10 taxes targeting these industries would only increase that harm; and

11 WHEREAS, The COVID-19 pandemic has made it clear that certain communities  
12 lack the health care resources they need, leading to disturbing health disparities; and

13 WHEREAS, The revenue generated from Chapter 571 of 2011 can adequately fund  
14 a renewal of Maryland's Health Enterprise Zones and significantly reduce the DDA waiting  
15 list and be dedicated to funding the critical needs of and restoring the promise to  
16 Marylanders with disabilities and their families and to those communities that lack the  
17 necessary health care resources; now, therefore,

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

20 **Article – Health – General**

21 7-205.

22 (a) (1) There is a continuing, nonlapsing Waiting List Equity Fund in the  
23 Maryland Department of Health.

24 (2) The purpose of the Waiting List Equity Fund is to ensure that:

25 (i) When individuals leave State residential centers, the net average  
26 cost of serving them in the State residential center, as defined in subsection (d)(2) of this  
27 section, shall follow them to community-based services; and

28 (ii) Any funds remaining after the individuals leaving State  
29 residential centers are served, are used to provide community-based services to individuals  
30 eligible for, but not receiving, the community-based services listed in subsection (c) of this  
31 section.

32 (b) (1) Subject to the appropriation process in the annual operating budget,  
33 the Department shall use the Waiting List Equity Fund for providing community-based  
34 services to individuals eligible for, but not receiving, services from the Developmental  
35 Disabilities Administration.

1           **(2) FOR FISCAL YEAR 2023, THE GOVERNOR SHALL INCLUDE IN THE**  
2 **ANNUAL BUDGET BILL AN APPROPRIATION TO THE FUND OF AT LEAST \$68,000,000.**

3           (c) For individuals eligible for, but not receiving, services from the Developmental  
4 Disabilities Administration in the Department, the Waiting List Equity Fund shall be used  
5 to provide:

6           (1) Individualized supported living arrangements services;

7           (2) Respite care;

8           (3) Individual and family support services;

9           (4) Supported employment; and

10          (5) Individualized community integration day services.

11          (d) (1) The Waiting List Equity Fund shall consist of:

12           (i) Subject to the appropriation process in the annual operating  
13 budget, funds which are equal to the cost of providing services to an individual in a State  
14 residential center for each fiscal year, or part of a fiscal year, that the individual is no longer  
15 served in a State residential center and is provided community-based services as defined  
16 in paragraph (2) of this subsection;

17           (ii) The net proceeds from contributions under the income tax  
18 checkoff system established under § 2-113 of the Tax – General Article; [and]

19           (iii) **REVENUE DISTRIBUTED TO THE FUND UNDER § 2-1303 OF**  
20 **THE TAX – GENERAL ARTICLE; AND**

21           **(IV)** Any other money from any other source accepted for the benefit  
22 of the Fund.

23          (2) In determining funding for the Waiting List Equity Fund, the cost of  
24 providing services to an individual in a State residential center shall be calculated by:

25           (i) Dividing the State residential center's appropriation by the daily  
26 average census reported in the State residential center's annual operating budget for the  
27 last full fiscal year the individual was served in the State residential center prorated over  
28 the number of months the individual is served in the community; and

29           (ii) Subtracting the following:

30           1. The average annual itemized expenses associated with

1 institutional services and administrative overhead costs that are demonstrated to be  
2 directly attributable to serving individuals remaining in the State residential center;

3   2.     The cost for new admissions certified in accordance with  
4 the provisions of §§ 7–502 and 7–503 of this title;

5   3.     The cost for respite care in accordance with § 7–509 of this  
6 title;

7   4.     The cost for court–ordered commitments; and

8   5.     Reimbursable federal revenues under TEFRA attributable  
9 to direct client costs.

10           (e)   (1)   (i)    The Department shall adopt regulations for the management  
11 and use of the money in the Fund.

12   (ii)   The regulations shall authorize the use of money in the Fund to  
13 provide services to individuals:

14   1.     Who are in crisis and need emergency services; and

15   2.     Who are not in crisis and do not need emergency services.

16   (2)   The Waiting List Equity Fund may not be used to supplant funds  
17 appropriated for:

18   (i)    Emergency community placements; or

19   (ii)   Transitioning students.

20           (f)   (1)   On or before January 1 of each year the Secretary shall prepare a report  
21 to be submitted to the General Assembly and the Department of Legislative Services on the  
22 Waiting List Equity Fund.

23   (2)   The report shall include:

24   (i)    An accounting of all receipts and expenditures to and from the  
25 Fund;

26   (ii)   The number of individuals who left and entered State residential  
27 centers during the previous year;

28   (iii)  The number of additional persons who were on the waiting list  
29 for developmental disabilities services during the previous year; and

30   (iv)   An accounting of each of the factors used in determining the cost

1 of providing services to an individual in a State residential center in accordance with the  
2 provisions of subsection (d)(2) of this section.

3 (g) Any unspent portions in the Waiting List Equity Fund and any interest  
4 earned on money in the Waiting List Equity Fund may not be transferred or revert to the  
5 General Fund of the State, but shall remain in the Waiting List Equity Fund to be used for  
6 the purposes specified in this section.

7 **SUBTITLE 14. HEALTH ENTERPRISE ZONES.**

8 **20-1401.**

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

11 (B) "COMMUNITY HEALTH WORKER" HAS THE MEANING STATED IN §  
12 13-3701 OF THIS ARTICLE.

13 (C) "FEDERALLY QUALIFIED HEALTH CENTER" HAS THE MEANING STATED  
14 IN § 24-1301 OF THIS ARTICLE.

15 (D) "FUND" MEANS THE HEALTH ENTERPRISE ZONE RESERVE FUND  
16 ESTABLISHED UNDER § 20-1406 OF THIS SUBTITLE.

17 (E) "HEALTH CARE PRACTITIONER" MEANS AN INDIVIDUAL OR,  
18 COLLECTIVELY, A GROUP OF INDIVIDUALS WORKING TOGETHER WITHIN THE SAME  
19 PRACTICE, EACH OF WHOM IS LICENSED, CERTIFIED, OR OTHERWISE AUTHORIZED  
20 BY LAW TO PROVIDE HEALTH CARE SERVICES UNDER THE HEALTH OCCUPATIONS  
21 ARTICLE.

22 (F) "HEALTH DISPARITY" MEANS A PARTICULAR TYPE OF HEALTH  
23 DIFFERENCE, SUCH AS A DIFFERENCE IN RATES OF HYPERTENSION, HEART  
24 DISEASE, ASTHMA, DIABETES, SUBSTANCE ABUSE, MENTAL HEALTH DISORDERS,  
25 AND MATERNAL AND INFANT MORTALITY, THAT:

26 (1) IS CLOSELY LINKED WITH SOCIAL, ECONOMIC, OR  
27 ENVIRONMENTAL DISADVANTAGE; AND

28 (2) ADVERSELY AFFECTS GROUPS OF INDIVIDUALS WHO HAVE  
29 SYSTEMATICALLY EXPERIENCED GREATER OBSTACLES TO HEALTH CARE BASED ON  
30 THEIR:

31 (I) RACE OR ETHNICITY;

- 1                   **(II) RELIGION;**
- 2                   **(III) SOCIOECONOMIC STATUS;**
- 3                   **(IV) GENDER, GENDER IDENTITY, OR SEXUAL ORIENTATION;**
- 4                   **(V) AGE;**
- 5                   **(VI) MENTAL HEALTH STATUS;**
- 6                   **(VII) COGNITIVE, SENSORY, OR PHYSICAL DISABILITY;**
- 7                   **(VIII) GEOGRAPHIC LOCATION; OR**
- 8                   **(IX) OTHER CHARACTERISTIC HISTORICALLY LINKED TO**  
9 **DISCRIMINATION OR EXCLUSION.**

10           **(G) “HEALTH ENTERPRISE ZONE” MEANS A CONTIGUOUS GEOGRAPHIC**  
11 **AREA THAT:**

12                   **(1) DEMONSTRATES MEASURABLE AND DOCUMENTED HEALTH**  
13 **DISPARITIES AND POOR HEALTH OUTCOMES;**

14                   **(2) IS SMALL ENOUGH TO ALLOW FOR THE INCENTIVES OFFERED**  
15 **UNDER THIS SUBTITLE TO HAVE A SIGNIFICANT IMPACT ON IMPROVING HEALTH**  
16 **OUTCOMES AND REDUCING HEALTH DISPARITIES, INCLUDING RACIAL, ETHNIC,**  
17 **GEOGRAPHIC, AND DISABILITY RELATED HEALTH DISPARITIES; AND**

18                   **(3) IS DESIGNATED BY THE SECRETARY IN ACCORDANCE WITH THE**  
19 **PROVISIONS OF THIS SUBTITLE.**

20           **(H) “HOSPITAL” HAS THE MEANING STATED IN § 19–301 OF THIS ARTICLE.**

21           **(I) “INSTITUTION OF HIGHER EDUCATION” HAS THE MEANING STATED IN §**  
22 **10–101 OF THE EDUCATION ARTICLE.**

23 **20–1402.**

24           **(A) THE PURPOSE OF ESTABLISHING HEALTH ENTERPRISE ZONES IS TO**  
25 **TARGET STATE RESOURCES TO SPECIFIC AREAS OF THE STATE TO:**

26                   **(1) REDUCE HEALTH DISPARITIES;**



1           **(2) IMPROVE HEALTH OUTCOMES;**

2           **(3) IMPROVE ACCESS TO PRIMARY CARE;**

3           **(4) PROMOTE PRIMARY AND SECONDARY PREVENTION SERVICES;**

4 **AND**

5           **(5) REDUCE HEALTH CARE COSTS AND HOSPITAL ADMISSIONS AND**  
6 **READMISSIONS.**

7           **(B) (1) THE SECRETARY MAY ADOPT REGULATIONS TO CARRY OUT THE**  
8 **PROVISIONS OF THIS SUBTITLE AND TO SPECIFY ELIGIBILITY CRITERIA AND**  
9 **APPLICATION, APPROVAL, AND MONITORING PROCESSES FOR THE RESOURCES**  
10 **ALLOCATED UNDER THIS SUBTITLE.**

11           **(2) THE SECRETARY SHALL CONSULT WITH THE OFFICE OF**  
12 **MINORITY HEALTH AND HEALTH DISPARITIES IN IMPLEMENTING THE PROVISIONS**  
13 **OF THIS SUBTITLE.**

14           **(C) THE SECRETARY SHALL ALLOCATE STAFF AND RESOURCES AS**  
15 **NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SUBTITLE.**

16           **(D) THE SECRETARY MAY CONVENE FORMAL OR INFORMAL WORKING OR**  
17 **ADVISORY GROUPS TO FACILITATE THE IMPLEMENTATION OF THIS SUBTITLE.**

18 **20-1403.**

19           **(A) FOR AN AREA TO RECEIVE A DESIGNATION AS A HEALTH ENTERPRISE**  
20 **ZONE, A NONPROFIT COMMUNITY-BASED ORGANIZATION, A NONPROFIT HOSPITAL,**  
21 **AN INSTITUTION OF HIGHER EDUCATION, OR A LOCAL GOVERNMENT AGENCY SHALL**  
22 **APPLY TO THE SECRETARY ON BEHALF OF THE AREA TO RECEIVE THE**  
23 **DESIGNATION.**

24           **(B) SUBJECT TO SUBSECTIONS (C) AND (E) OF THIS SECTION, THE**  
25 **APPLICATION SHALL BE IN THE FORM AND MANNER AND CONTAIN THE**  
26 **INFORMATION THAT THE SECRETARY REQUIRES.**

27           **(C) (1) THE APPLICATION SHALL CONTAIN AN EFFECTIVE AND**  
28 **SUSTAINABLE PLAN TO REDUCE HEALTH DISPARITIES, REDUCE COSTS OR PRODUCE**  
29 **SAVINGS TO THE HEALTH CARE SYSTEM, AND IMPROVE HEALTH OUTCOMES.**

30           **(2) THE APPLICATION SHALL INCLUDE:**

1                   **(I) A DESCRIPTION OF HOW FUNDING AVAILABLE UNDER THIS**  
2 **SUBTITLE WILL BE USED TO ADDRESS HEALTH DISPARITIES THROUGH**  
3 **EVIDENCE-BASED, CROSS-SECTOR STRATEGIES THAT MAY INCLUDE:**

4                   **1. BUILDING HEALTH CARE PROVIDER CAPACITY;**

5                   **2. IMPROVING HEALTH SERVICES DELIVERY;**

6                   **3. EFFECTUATING COMMUNITY IMPROVEMENTS;**

7                   **4. CONDUCTING OUTREACH AND EDUCATION EFFORTS;**

8                   **5. IMPLEMENTING SYSTEMIC STRATEGIES TO IMPROVE**  
9 **COORDINATION AND COMMUNICATION ACROSS ORGANIZATIONS THAT PROVIDE**  
10 **HEALTH CARE SERVICES;**

11                   **6. SUPPORTING COMMUNITY LEADERSHIP**  
12 **DEVELOPMENT EFFORTS;**

13                   **7. FACILITATING POLICY INTERVENTIONS TO ADDRESS**  
14 **UPSTREAM DETERMINANTS OF HEALTH; AND**

15                   **8. IMPLEMENTING SCALABLE APPROACHES TO MEET**  
16 **THE NONMEDICAL SOCIAL NEEDS OF POPULATIONS IDENTIFIED IN THE MOST**  
17 **RECENT COMMUNITY HEALTH NEEDS ASSESSMENT, SUCH AS UNSTABLE HOUSING,**  
18 **INADEQUATE FOOD, OR JOB DEVELOPMENT; AND**

19                   **(II) A PROPOSAL TO USE FUNDING AVAILABLE UNDER THIS**  
20 **SUBTITLE TO PROVIDE FOR LOAN REPAYMENT INCENTIVES TO INDUCE HEALTH**  
21 **CARE PRACTITIONERS TO PRACTICE IN THE AREA.**

22                   **(D) THE APPLICATION MAY INCLUDE:**

23                   **(1) A PLAN TO USE TAX CREDITS AVAILABLE UNDER THIS SUBTITLE**  
24 **AND § 10-731 OF THE TAX - GENERAL ARTICLE AND OTHER RESOURCES TO**  
25 **ENCOURAGE HEALTH CARE PRACTITIONERS AND COMMUNITY HEALTH WORKERS TO**  
26 **ESTABLISH OR EXPAND HEALTH CARE PRACTICES IN THE AREA;**

27                   **(2) A PROPOSAL TO USE INNOVATIVE PUBLIC HEALTH STRATEGIES**  
28 **TO REDUCE HEALTH DISPARITIES IN THE AREA THAT MAY BE SUPPORTED BY**  
29 **GRANTS AWARDED UNDER THIS SUBTITLE, SUCH AS THE USE OF COMMUNITY**  
30 **HEALTH WORKERS, COMMUNITY HEALTH CENTERS, FEDERALLY QUALIFIED HEALTH**  
31 **CENTERS, INSTITUTIONS OF HIGHER EDUCATION, AND COMMUNITY-BASED DISEASE**

1 MANAGEMENT ACTIVITIES; AND

2 (3) A PROPOSAL TO USE OTHER INCENTIVES OR MECHANISMS TO  
3 ADDRESS HEALTH DISPARITIES THAT FOCUS ON WAYS TO EXPAND ACCESS TO CARE,  
4 EXPAND ACCESS TO NONMEDICAL INTERVENTIONS THAT PROMOTE IMPROVED  
5 HEALTH OUTCOMES, PROMOTE HIRING, AND REDUCE COSTS TO THE HEALTH CARE  
6 SYSTEM.

7 (E) THE APPLICATION SUBMITTED IN ACCORDANCE WITH THIS SECTION  
8 SHALL ALLOCATE SUFFICIENT FUNDING TO COVER SALARY AND BENEFIT COSTS FOR  
9 THE EVALUATOR REQUIRED UNDER § 20-1404 OF THIS SUBTITLE.

10 20-1404.

11 (A) (1) THE SECRETARY SHALL DESIGNATE AREAS AS HEALTH  
12 ENTERPRISE ZONES IN ACCORDANCE WITH THIS SUBTITLE.

13 (2) THE SECRETARY:

14 (I) SHALL CONSIDER GEOGRAPHIC DIVERSITY, AMONG OTHER  
15 FACTORS, WHEN DESIGNATING AREAS AS HEALTH ENTERPRISE ZONES; AND

16 (II) MAY CONDUCT OUTREACH EFFORTS TO FACILITATE A  
17 GEOGRAPHICALLY DIVERSE POOL OF APPLICANTS, INCLUDING EFFORTS TO  
18 FACILITATE SUBMISSION OF APPLICATIONS FROM RURAL AREAS.

19 (3) AFTER RECEIVING ALL APPLICATIONS SUBMITTED TO THE  
20 SECRETARY, THE SECRETARY SHALL REPORT TO THE SENATE FINANCE  
21 COMMITTEE AND THE HOUSE HEALTH AND GOVERNMENT OPERATIONS  
22 COMMITTEE, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT  
23 ARTICLE, ON THE NAMES OF APPLICANTS AND GEOGRAPHIC AREAS IN WHICH  
24 APPLICANTS ARE LOCATED.

25 (B) THE SECRETARY SHALL GIVE PRIORITY TO APPLICATIONS THAT  
26 DEMONSTRATE:

27 (1) SUPPORT FROM AND PARTICIPATION OF KEY STAKEHOLDERS IN  
28 THE PUBLIC AND PRIVATE SECTORS, INCLUDING RESIDENTS OF THE AREA AND  
29 LOCAL GOVERNMENT;

30 (2) A PLAN FOR LONG-TERM FUNDING AND SUSTAINABILITY;

31 (3) INCLUSION OF SUPPORTING FUNDS FROM THE PRIVATE SECTOR;

1           (4) INTEGRATION WITH THE STATE HEALTH IMPROVEMENT  
2 PROCESS AND THE GOALS SET OUT IN THE STRATEGIC PLAN OF THE LOCAL HEALTH  
3 IMPROVEMENT COALITION;

4           (5) A PLAN FOR EVALUATION OF THE IMPACT OF DESIGNATION OF  
5 THE PROPOSED AREA AS A HEALTH ENTERPRISE ZONE AND STRATEGIES FOR  
6 QUALITY IMPROVEMENT; AND

7           (6) OTHER FACTORS THAT THE SECRETARY DETERMINES ARE  
8 APPROPRIATE TO DEMONSTRATE A COMMITMENT TO REDUCE HEALTH DISPARITIES  
9 AND IMPROVE HEALTH OUTCOMES.

10          (C) (1) AN APPLICATION FOR DESIGNATION OF AN AREA AS A HEALTH  
11 ENTERPRISE ZONE SUBMITTED BY A NONPROFIT COMMUNITY-BASED  
12 ORGANIZATION, A NONPROFIT HOSPITAL, AN INSTITUTION OF HIGHER EDUCATION,  
13 OR A LOCAL GOVERNMENT AGENCY SHALL PROVIDE FOR THE EMPLOYMENT AND  
14 SUPERVISION OF ONE FULL-TIME EMPLOYEE TO SERVE AS AN EVALUATOR OF THE  
15 OPERATION, IMPACT, AND EFFECTIVENESS OF THE HEALTH ENTERPRISE ZONE  
16 DESIGNATED UNDER THIS SUBTITLE.

17           (2) TO BE DESIGNATED AS AN EVALUATOR UNDER THIS SUBSECTION,  
18 THE EMPLOYEE MUST DEMONSTRATE EXPERIENCE IN METHODS OF QUALITATIVE  
19 AND QUANTITATIVE RESEARCH METHODOLOGY.

20           (3) AN EMPLOYEE DESIGNATED AS AN EVALUATOR UNDER THIS  
21 SUBSECTION SHALL COORDINATE WITH THE SECRETARY TO:

22           (I) MONITOR THE OPERATION, EFFECTIVENESS, AND IMPACT  
23 OF THE HEALTH ENTERPRISE ZONE; AND

24           (II) PROVIDE DATA, STATISTICS, AND ANALYSIS TO THE  
25 SECRETARY THAT ADDRESSES THE REPORTING ELEMENTS SPECIFIED UNDER §  
26 20-1407(B) OF THIS SUBTITLE.

27          (D) THE DECISION OF THE SECRETARY TO DESIGNATE AN AREA AS A  
28 HEALTH ENTERPRISE ZONE SHALL BE A FINAL DECISION.

29          (E) A DESIGNATION BY THE SECRETARY OF AN AREA AS A HEALTH  
30 ENTERPRISE ZONE SHALL HAVE A TERM OF 5 YEARS AND MAY BE RENEWED IN  
31 ACCORDANCE WITH AN APPLICATION APPROVED BY THE SECRETARY.

32 20-1405.

1           **(A) HEALTH CARE PRACTITIONERS AND COMMUNITY HEALTH WORKERS**  
2 **THAT PRACTICE IN A HEALTH ENTERPRISE ZONE MAY RECEIVE:**

3           **(1) TAX CREDITS AGAINST THE STATE INCOME TAX AS PROVIDED**  
4 **UNDER § 10-731 OF THE TAX – GENERAL ARTICLE; AND**

5           **(2) LOAN REPAYMENT ASSISTANCE, AS PROVIDED FOR IN THE**  
6 **APPLICATION FOR DESIGNATION FOR THE HEALTH ENTERPRISE ZONE AND**  
7 **APPROVED BY THE SECRETARY UNDER THIS SUBTITLE.**

8           **(B) (1) A HEALTH CARE PRACTITIONER OR COMMUNITY HEALTH**  
9 **WORKER MAY APPLY TO THE SECRETARY FOR A GRANT TO DEFRAY THE COSTS OF**  
10 **CAPITAL OR LEASEHOLD IMPROVEMENTS TO, OR MEDICAL OR DENTAL EQUIPMENT**  
11 **TO BE USED IN, A HEALTH ENTERPRISE ZONE.**

12           **(2) TO QUALIFY FOR A GRANT UNDER PARAGRAPH (1) OF THIS**  
13 **SUBSECTION, A HEALTH CARE PRACTITIONER OR A COMMUNITY HEALTH WORKER**  
14 **SHALL:**

15                   **(I) OWN OR LEASE THE HEALTH CARE FACILITY; AND**

16                   **(II) PROVIDE HEALTH CARE FROM THAT FACILITY.**

17           **(3) (I) A GRANT TO DEFRAY THE COST OF MEDICAL OR DENTAL**  
18 **EQUIPMENT MAY NOT EXCEED THE LESSER OF \$25,000 OR 50% OF THE COST OF THE**  
19 **EQUIPMENT.**

20                   **(II) GRANTS FOR CAPITAL OR LEASEHOLD IMPROVEMENTS**  
21 **SHALL BE FOR THE PURPOSES OF IMPROVING OR EXPANDING THE DELIVERY OF**  
22 **HEALTH CARE IN THE HEALTH ENTERPRISE ZONE.**

23           **(C) (1) A NONPROFIT COMMUNITY-BASED ORGANIZATION, A NONPROFIT**  
24 **HOSPITAL, AN INSTITUTION OF HIGHER EDUCATION, OR A LOCAL GOVERNMENT**  
25 **AGENCY THAT RECEIVES APPROVAL OF AN APPLICATION SUBMITTED UNDER §**  
26 **20-1403 OF THIS SUBTITLE MAY SUBMIT AN APPLICATION, ON ITS OWN BEHALF, TO**  
27 **RECEIVE GRANTS FOR CAPITAL OR LEASEHOLD IMPROVEMENTS, AS DETERMINED**  
28 **BY THE SECRETARY, FOR THE PURPOSES DESCRIBED UNDER SUBSECTION (B)(3)(II)**  
29 **OF THIS SECTION.**

30           **(2) SUBJECT TO § 20-1407(A)(2) OF THIS SUBTITLE, THE TERM OF**  
31 **ANY GRANT AWARDED TO A NONPROFIT COMMUNITY-BASED ORGANIZATION, A**  
32 **NONPROFIT HOSPITAL, AN INSTITUTION OF HIGHER EDUCATION, OR A LOCAL**

1 GOVERNMENT AGENCY FOR CAPITAL OR LEASEHOLD IMPROVEMENTS UNDER THIS  
2 SUBSECTION SHALL HAVE A TERM OF 5 YEARS, AND MAY BE RENEWED IN  
3 ACCORDANCE WITH AN APPLICATION APPROVED BY THE SECRETARY.

4 **20-1406.**

5 (A) THERE IS A HEALTH ENTERPRISE ZONE RESERVE FUND.

6 (B) THE PURPOSE OF THE FUND IS TO:

7 (1) SUPPORT AREAS DESIGNATED BY THE SECRETARY AS HEALTH  
8 ENTERPRISE ZONES BY PROVIDING GRANTS OR TAX CREDITS TO  
9 COMMUNITY-BASED ORGANIZATIONS, NONPROFIT HOSPITALS, INSTITUTIONS OF  
10 HIGHER EDUCATION, LOCAL GOVERNMENT AGENCIES, HEALTH CARE  
11 PRACTITIONERS, AND COMMUNITY HEALTH WORKERS TO FACILITATE REDUCTION  
12 OF HEALTH DISPARITIES, IMPROVE HEALTH OUTCOMES, PROVIDE DRUG  
13 TREATMENT AND REHABILITATION, AND REDUCE HEALTH COSTS AND HOSPITAL  
14 ADMISSIONS AND READMISSIONS IN SPECIFIC AREAS OF THE STATE; AND

15 (2) PROVIDE FUNDING TO THE DEPARTMENT TO SUPPLEMENT AND  
16 NOT SUPPLANT EXISTING FUNDING FOR BEHAVIORAL HEALTH PROGRAMS THAT  
17 PROVIDE PREVENTION, RECOVERY SUPPORT, AND HARM REDUCTION SERVICES FOR  
18 INDIVIDUALS WITH SUBSTANCE USE AND MENTAL HEALTH DISORDERS.

19 (C) THE SECRETARY SHALL ADMINISTER THE FUND.

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

22 (2) ANY UNSPENT PORTION OF THE FUND MAY NOT BE TRANSFERRED  
23 OR REVERT TO THE GENERAL FUND BUT SHALL REMAIN IN THE FUND TO BE USED  
24 FOR THE PURPOSES SPECIFIED IN THIS SUBTITLE.

25 (3) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,  
26 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

27 (E) THE FUND CONSISTS OF:

28 (1) REVENUE DISTRIBUTED TO THE FUND UNDER § 2-1303 OF THE  
29 TAX - GENERAL ARTICLE;

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

1           **(3) INTEREST EARNINGS OF THE FUND; AND**

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

4           **(F) FOR FISCAL YEAR 2023 AND EACH FISCAL YEAR THEREAFTER, THE**  
5 **GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION TO**  
6 **THE FUND OF AT LEAST \$22,000,000.**

7           **(G) THE FUND ANNUALLY SHALL PROVIDE MONEY TO THE DEPARTMENT TO**  
8 **SUPPLEMENT AND NOT SUPPLANT EXISTING FUNDING FOR BEHAVIORAL HEALTH**  
9 **PROGRAMS THAT PROVIDE PREVENTION, RECOVERY SUPPORT, AND HARM**  
10 **REDUCTION SERVICES FOR INDIVIDUALS WITH SUBSTANCE USE AND MENTAL**  
11 **HEALTH DISORDERS IN THE FOLLOWING AMOUNTS:**

12           **(1) \$1,000,000 FOR FISCAL YEAR 2023; AND**

13           **(2) \$2,000,000 FOR EACH FISCAL YEAR THEREAFTER.**

14           **(H) EXCEPT AS PROVIDED IN SUBSECTION (G) OF THIS SECTION, THE FUND**  
15 **MAY BE USED ONLY TO PROVIDE FUNDING TO THE SECRETARY FOR THE SUPPORT**  
16 **OF AREAS DESIGNATED AS HEALTH ENTERPRISE ZONES BY PROVIDING GRANTS OR**  
17 **TAX CREDITS TO COMMUNITY-BASED ORGANIZATIONS, NONPROFIT HOSPITALS,**  
18 **INSTITUTIONS OF HIGHER EDUCATION, LOCAL GOVERNMENT AGENCIES, HEALTH**  
19 **CARE PRACTITIONERS, FEDERALLY QUALIFIED HEALTH CENTERS, AND COMMUNITY**  
20 **HEALTH WORKERS TO REDUCE HEALTH DISPARITIES, IMPROVE HEALTH OUTCOMES,**  
21 **PROVIDE ADDICTION AND MENTAL HEALTH SERVICES, AND REDUCE HEALTH COSTS**  
22 **AND HOSPITAL ADMISSIONS AND READMISSIONS.**

23           **(I) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**  
24 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

25           **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**  
26 **THE FUND.**

27           **(J) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**  
28 **WITH THE STATE BUDGET.**

29           **(K) MONEY EXPENDED FROM THE FUND TO SUPPORT AREAS DESIGNATED**  
30 **BY THE SECRETARY AS HEALTH ENTERPRISE ZONES UNDER THIS SUBTITLE IS**  
31 **SUPPLEMENTAL TO AND IS NOT INTENDED TO SUPPLANT FUNDING THAT**  
32 **OTHERWISE WOULD BE APPROPRIATED FOR THOSE PURPOSES.**

1 **20-1407.**

2           **(A) (1) ON OR BEFORE SEPTEMBER 15 EACH YEAR, EACH NONPROFIT**  
3 **COMMUNITY-BASED ORGANIZATION, NONPROFIT HOSPITAL, INSTITUTION OF**  
4 **HIGHER EDUCATION, OR LOCAL GOVERNMENT AGENCY THAT HAS SUBMITTED A**  
5 **SUCCESSFUL APPLICATION FOR DESIGNATION OF AN AREA AS A HEALTH**  
6 **ENTERPRISE ZONE UNDER § 20-1403 OF THIS SUBTITLE SHALL SUBMIT TO THE**  
7 **SECRETARY A REPORT THAT INCLUDES:**

8                   **(I) A DESCRIPTION OF PROGRESS MADE TOWARD THE**  
9 **OBJECTIVES SET FORTH IN THE APPLICATION; AND**

10                   **(II) A DESCRIPTION OF OBJECTIVES TO BE MET DURING THE**  
11 **IMMEDIATELY FOLLOWING YEAR.**

12           **(2) THE SECRETARY MAY REVOKE A DESIGNATION OF AN AREA AS A**  
13 **HEALTH ENTERPRISE ZONE IF THE NONPROFIT COMMUNITY-BASED**  
14 **ORGANIZATION, NONPROFIT HOSPITAL, INSTITUTION OF HIGHER EDUCATION, OR**  
15 **LOCAL GOVERNMENT AGENCY THAT HAS SUBMITTED A SUCCESSFUL APPLICATION**  
16 **FOR DESIGNATION OF AN AREA AS A HEALTH ENTERPRISE ZONE FAILS TO MEET**  
17 **THE OBJECTIVES PROVIDED TO THE SECRETARY UNDER SUBSECTION (A)(1) OF THIS**  
18 **SECTION FOR A GIVEN YEAR.**

19           **(B) (1) ON OR BEFORE DECEMBER 15 EACH YEAR, THE SECRETARY**  
20 **SHALL SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THE**  
21 **STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY A REPORT THAT**  
22 **INCLUDES:**

23                   **(I) THE NUMBER AND TYPES OF INCENTIVES GRANTED IN EACH**  
24 **HEALTH ENTERPRISE ZONE;**

25                   **(II) EVIDENCE OF THE IMPACT OF THE TAX AND LOAN**  
26 **REPAYMENT INCENTIVES IN ATTRACTING HEALTH CARE PRACTITIONERS AND**  
27 **COMMUNITY HEALTH WORKERS TO HEALTH ENTERPRISE ZONES;**

28                   **(III) EVIDENCE OF THE IMPACT OF THE INCENTIVES OFFERED IN**  
29 **HEALTH ENTERPRISE ZONES IN REDUCING HEALTH DISPARITIES AND IMPROVING**  
30 **HEALTH OUTCOMES; AND**

31                   **(IV) EVIDENCE OF THE PROGRESS IN REDUCING HEALTH COSTS**  
32 **AND HOSPITAL ADMISSIONS AND READMISSIONS IN HEALTH ENTERPRISE ZONES.**

33           **(2) THE REPORT DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION**



1 **SHALL INCLUDE DATA DISAGGREGATED BY THE FOLLOWING:**

- 2                   **(I) RACE;**  
 3                   **(II) ETHNICITY;**  
 4                   **(III) PRIMARY LANGUAGE;**  
 5                   **(IV) GENDER;**  
 6                   **(V) SOCIOECONOMIC STATUS; AND**  
 7                   **(VI) ZIP CODE.**

8                   **Article – State Finance and Procurement**

9 6–226.

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

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

18                   122. the Racing and Community Development Financing Fund;

19 [and]

20                   123. the Racing and Community Development Facilities Fund;

21 **AND**

22                   **124. THE HEALTH ENTERPRISE ZONE RESERVE FUND.**

23                   **Article – Tax – General**

24 2–1303.

25           (a) After making the distributions required under §§ 2–1301 through 2–1302.1 of  
 26 this subtitle, the Comptroller shall pay:

1 (1) revenues from the hotel surcharge into the Dorchester County  
2 Economic Development Fund established under § 10–130 of the Economic Development  
3 Article;

4 (2) subject to subsection (b) of this section, to The Blueprint for Maryland’s  
5 Future Fund established under § 5–219 of the Education Article, revenues collected and  
6 remitted by:

7 (i) a marketplace facilitator; or

8 (ii) a person that engages in the business of an out-of-state vendor  
9 and that is required to collect and remit sales and use tax as specified in COMAR  
10 03.06.01.33B(5); [and]

11 (3) **REVENUES FROM THE SALES AND USE TAX ON ALCOHOL UNDER §**  
12 **11–104 OF THIS ARTICLE AS PROVIDED IN SUBSECTION (C) OF THIS SECTION;**

13 (4) the remaining sales and use tax revenue into the General Fund of the  
14 State.

15 (b) For each fiscal year, the Comptroller shall pay into the General Fund of the  
16 State the first \$100,000,000 of revenues collected and remitted by:

17 (1) a marketplace facilitator; or

18 (2) a person that engages in the business of an out-of-state vendor and  
19 that is required to collect and remit sales and use tax as specified in COMAR  
20 03.06.01.33B(5).

21 (c) **FROM THE REVENUES COLLECTED FROM THE SALES AND USE TAX ON**  
22 **ALCOHOL UNDER § 11–104 OF THIS ARTICLE, THE COMPTROLLER SHALL PAY:**

23 (1) **FOR FISCAL YEAR 2023:**

24 (i) **THE FIRST \$90,000,000 TO THE WAITING LIST EQUITY**  
25 **FUND ESTABLISHED UNDER § 7–205 OF THE HEALTH – GENERAL ARTICLE; AND**

26 (ii) **\$22,000,000 TO THE HEALTH ENTERPRISE ZONE RESERVE**  
27 **FUND ESTABLISHED UNDER § 20–1406 OF THE HEALTH – GENERAL ARTICLE; AND**

28 (iii) **THE REMAINING SALES AND USE TAX REVENUE INTO THE**  
29 **GENERAL FUND OF THE STATE; AND**

30 (2) **FOR FISCAL YEAR 2024 AND EACH FISCAL YEAR THEREAFTER:**

1 (I) \$22,000,000 TO THE HEALTH ENTERPRISE ZONE RESERVE  
2 FUND ESTABLISHED UNDER § 20-1406 OF THE HEALTH – GENERAL ARTICLE; AND

3 (II) THE REMAINING SALES AND USE TAX REVENUE INTO THE  
4 GENERAL FUND OF THE STATE.

5 11-104.

6 (g) The sales and use tax rate for the sale of an alcoholic beverage, as defined in  
7 § 5-101 of this article, is:

8 (1) 9% of the charge for the alcoholic beverage; and

9 (2) 6% of a charge that is made in connection with the sale of an alcoholic  
10 beverage and is stated as a separate item of the consideration and made known to the buyer  
11 at the time of sale for:

12 (i) any labor or service rendered;

13 (ii) any material used; or

14 (iii) any property sold.

15 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
16 as follows:

17 **Article – Tax – General**

18 **10-731.**

19 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
20 INDICATED.

21 (2) “COMMUNITY-BASED ORGANIZATION” MEANS A PUBLIC OR  
22 PRIVATE ORGANIZATION THAT IS REPRESENTATIVE OF A COMMUNITY OR  
23 SIGNIFICANT SEGMENTS OF A COMMUNITY AND PROVIDES EDUCATIONAL, HEALTH,  
24 OR SOCIAL SERVICES TO INDIVIDUALS IN THE COMMUNITY.

25 (3) “COMMUNITY HEALTH WORKER” HAS THE MEANING STATED IN §  
26 13-3701 OF THE HEALTH – GENERAL ARTICLE.

27 (4) “DEPARTMENT” MEANS THE MARYLAND DEPARTMENT OF  
28 HEALTH.

29 (5) “FUND” MEANS THE HEALTH ENTERPRISE ZONE RESERVE FUND

1 ESTABLISHED UNDER § 20-1406 OF THE HEALTH – GENERAL ARTICLE.

2 (6) “HEALTH CARE PRACTITIONER” HAS THE MEANING STATED IN §  
3 20-1401 OF THE HEALTH – GENERAL ARTICLE.

4 (7) “HEALTH ENTERPRISE ZONE” HAS THE MEANING STATED IN §  
5 20-1401 OF THE HEALTH – GENERAL ARTICLE.

6 (8) “INSTITUTION OF HIGHER EDUCATION” HAS THE MEANING  
7 STATED IN § 10-101 OF THE EDUCATION ARTICLE.

8 (9) “QUALIFIED EMPLOYEE” MEANS A HEALTH CARE PRACTITIONER,  
9 A COMMUNITY HEALTH WORKER, AN INDIVIDUAL DESIGNATED AS AN EVALUATOR  
10 UNDER § 20-1404 OF THE HEALTH – GENERAL ARTICLE, OR ANY OTHER  
11 INDIVIDUAL WHO:

12 (I) PROVIDES DIRECT SUPPORT TO A HEALTH CARE  
13 PRACTITIONER OR A COMMUNITY HEALTH WORKER; AND

14 (II) EXPANDS ACCESS TO SERVICES IN A HEALTH ENTERPRISE  
15 ZONE.

16 (10) (I) “QUALIFIED POSITION” MEANS A QUALIFIED EMPLOYEE  
17 POSITION THAT:

18 1. PAYS AT LEAST 150% OF THE FEDERAL MINIMUM  
19 WAGE;

20 2. IS FULL-TIME AND OF INDEFINITE DURATION;

21 3. IS LOCATED IN A HEALTH ENTERPRISE ZONE;

22 4. IS NEWLY CREATED AS A RESULT OF THE  
23 ESTABLISHMENT OF, OR EXPANSION OF SERVICES IN, A HEALTH ENTERPRISE ZONE;  
24 AND

25 5. IS FILLED.

26 (II) “QUALIFIED POSITION” DOES NOT INCLUDE A POSITION  
27 THAT IS FILLED FOR A PERIOD OF LESS THAN 12 MONTHS.

28 (11) “SECRETARY” MEANS THE SECRETARY OF HEALTH.

1           **(B) A HEALTH CARE PRACTITIONER OR A COMMUNITY HEALTH WORKER**  
2 **WHO PRACTICES HEALTH CARE IN A HEALTH ENTERPRISE ZONE DESIGNATED**  
3 **UNDER TITLE 20, SUBTITLE 14 OF THE HEALTH – GENERAL ARTICLE MAY SUBMIT**  
4 **TO THE SECRETARY A REQUEST FOR CERTIFICATION OF ELIGIBILITY FOR INCOME**  
5 **TAX CREDITS ESTABLISHED UNDER SUBSECTION (D) OF THIS SECTION IN**  
6 **ACCORDANCE WITH AN APPROVED APPLICATION FOR DESIGNATION OF AN AREA AS**  
7 **A HEALTH ENTERPRISE ZONE IF THE INDIVIDUAL:**

8           **(1) DEMONSTRATES COMPETENCY IN CULTURAL, LINGUISTIC, AND**  
9 **HEALTH LITERACY IN A MANNER DETERMINED BY THE SECRETARY;**

10           **(2) ACCEPTS AND PROVIDES CARE FOR PATIENTS ENROLLED IN THE**  
11 **MARYLAND MEDICAL ASSISTANCE PROGRAM AND FOR UNINSURED PATIENTS;**

12           **(3) UNDERGOES TRAINING IN ANTIRACISM AND CULTURAL**  
13 **COMPETENCY THROUGH A PROGRAM APPROVED BY THE SECRETARY; AND**

14           **(4) MEETS ANY OTHER CRITERIA ESTABLISHED BY THE SECRETARY.**

15           **(C) A NONPROFIT COMMUNITY–BASED ORGANIZATION, A NONPROFIT**  
16 **HOSPITAL, AN INSTITUTION OF HIGHER EDUCATION, OR A LOCAL GOVERNMENT**  
17 **AGENCY THAT SUBMITS AN APPLICATION TO THE SECRETARY TO ESTABLISH A**  
18 **HEALTH ENTERPRISE ZONE MAY SUBMIT TO THE SECRETARY A REQUEST FOR**  
19 **CERTIFICATION OF ELIGIBILITY FOR INCOME TAX CREDITS ESTABLISHED UNDER**  
20 **SUBSECTION (D) OF THIS SECTION IN ACCORDANCE WITH THE APPLICATION FOR**  
21 **DESIGNATION OF AN AREA AS A HEALTH ENTERPRISE ZONE ON BEHALF OF A**  
22 **HEALTH CARE PRACTITIONER OR A COMMUNITY HEALTH WORKER WHO:**

23           **(1) IS PRACTICING OR SEEKING TO PRACTICE IN A HEALTH**  
24 **ENTERPRISE ZONE; AND**

25           **(2) SATISFIES THE REQUIREMENTS OF SUBSECTION (B) OF THIS**  
26 **SECTION.**

27           **(D) (1) IF THE SECRETARY APPROVES A REQUEST FOR CERTIFICATION**  
28 **SUBMITTED UNDER SUBSECTION (B) OR (C) OF THIS SECTION, A HEALTH CARE**  
29 **PRACTITIONER OR A COMMUNITY HEALTH WORKER MAY CLAIM A CREDIT AGAINST**  
30 **THE STATE INCOME TAX IN AN AMOUNT EQUAL TO 100% OF THE AMOUNT OF THE**  
31 **STATE INCOME TAX EXPECTED TO BE DUE FROM THE HEALTH CARE PRACTITIONER**  
32 **OR COMMUNITY HEALTH WORKER FROM INCOME DERIVED FROM PRACTICE IN THE**  
33 **HEALTH ENTERPRISE ZONE, AS CERTIFIED BY THE SECRETARY FOR THE TAXABLE**  
34 **YEAR.**

1           **(2) (I) IN ADDITION TO THE STATE INCOME TAX CREDIT PROVIDED**  
2 **UNDER PARAGRAPH (1) OF THIS SUBSECTION, A HEALTH CARE PRACTITIONER OR A**  
3 **COMMUNITY-BASED ORGANIZATION MAY CLAIM A REFUNDABLE CREDIT OF \$10,000**  
4 **AGAINST THE STATE INCOME TAX FOR HIRING FOR A QUALIFIED POSITION IN THE**  
5 **HEALTH ENTERPRISE ZONE, AS CERTIFIED BY THE SECRETARY FOR THE TAXABLE**  
6 **YEAR.**

7           **(II) TO BE ELIGIBLE FOR THE CREDIT PROVIDED UNDER THIS**  
8 **PARAGRAPH, A HEALTH CARE PRACTITIONER OR A COMMUNITY-BASED**  
9 **ORGANIZATION MAY CREATE ONE OR MORE QUALIFIED POSITIONS DURING ANY**  
10 **24-MONTH PERIOD.**

11           **(III) THE CREDIT EARNED UNDER THIS PARAGRAPH SHALL BE**  
12 **TAKEN OVER A 24-MONTH PERIOD, WITH 50% OF THE CREDIT AMOUNT ALLOWED**  
13 **EACH YEAR BEGINNING WITH THE FIRST TAXABLE YEAR IN WHICH THE CREDIT IS**  
14 **CERTIFIED.**

15           **(IV) IF THE QUALIFIED POSITION IS FILLED FOR A PERIOD OF**  
16 **LESS THAN 24 MONTHS, THE CREDIT SHALL BE RECAPTURED AS FOLLOWS:**

17           **1. THE CREDIT SHALL BE RECOMPUTED AND REDUCED**  
18 **ON A PRORATED BASIS, BASED ON THE PERIOD OF TIME THE POSITION WAS FILLED,**  
19 **AS DETERMINED BY THE DEPARTMENT AND REPORTED TO THE COMPTROLLER; AND**

20           **2. THE HEALTH CARE PRACTITIONER OR**  
21 **COMMUNITY-BASED ORGANIZATION WHICH RECEIVED THE CREDIT SHALL REPAY**  
22 **ANY AMOUNT OF THE CREDIT THAT MAY HAVE ALREADY BEEN REFUNDED TO THE**  
23 **HEALTH CARE PRACTITIONER OR COMMUNITY-BASED ORGANIZATION THAT**  
24 **EXCEEDS THE AMOUNT RECOMPUTED BY THE SECRETARY IN ACCORDANCE WITH**  
25 **SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH.**

26           **(3) TO BE CERTIFIED AS ELIGIBLE FOR THE CREDITS ESTABLISHED**  
27 **UNDER THIS SUBSECTION, A HEALTH CARE PRACTITIONER, COMMUNITY HEALTH**  
28 **WORKER, OR COMMUNITY-BASED ORGANIZATION MAY APPLY FOR CERTIFICATION**  
29 **THROUGH THE NONPROFIT COMMUNITY-BASED ORGANIZATION, NONPROFIT**  
30 **HOSPITAL, INSTITUTION OF HIGHER EDUCATION, OR LOCAL GOVERNMENT THAT**  
31 **RECEIVES APPROVAL FROM THE SECRETARY TO ESTABLISH A HEALTH ENTERPRISE**  
32 **ZONE.**

33           **(4) (I) ELIGIBILITY FOR THE CREDITS PROVIDED UNDER THIS**  
34 **SUBSECTION IS LIMITED BY AVAILABILITY OF BUDGETED FUNDS FOR THAT**  
35 **PURPOSE, AS DETERMINED BY THE SECRETARY.**

1                   **(II) CERTIFICATES OF ELIGIBILITY SHALL BE SUBJECT TO**  
2 **APPROVAL BY THE SECRETARY ON A FIRST-COME, FIRST-SERVED BASIS, AS**  
3 **DETERMINED BY THE SECRETARY IN THE SECRETARY’S SOLE DISCRETION.**

4           **(E) THE SECRETARY SHALL CERTIFY TO THE COMPTROLLER THE**  
5 **APPLICABILITY OF THE CREDITS PROVIDED UNDER THIS SECTION FOR EACH**  
6 **HEALTH CARE PRACTITIONER, COMMUNITY HEALTH WORKER, OR**  
7 **COMMUNITY-BASED ORGANIZATION AND THE AMOUNT OF EACH CREDIT ASSIGNED**  
8 **TO A HEALTH CARE PRACTITIONER, COMMUNITY HEALTH WORKER, OR**  
9 **COMMUNITY-BASED ORGANIZATION, FOR EACH TAXABLE YEAR.**

10           **(F) THE CREDITS ALLOWED UNDER THIS SECTION FOR A FISCAL YEAR MAY**  
11 **NOT EXCEED THE AMOUNT PROVIDED FOR IN THE STATE BUDGET FOR THAT FISCAL**  
12 **YEAR.**

13           **(G) THE SECRETARY, IN CONSULTATION WITH THE COMPTROLLER, SHALL**  
14 **ADOPT REGULATIONS TO IMPLEMENT THE TAX CREDIT UNDER THIS SECTION.**

15           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
16 1, 2021, and Section 2 of this Act shall be applicable to all taxable years beginning after  
17 December 31, 2020.