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EMERGENCY BILL (PRE-FILED) 1lr0702 CF HB 463

By: Senators Hayes, Beidle, Benson, Ellis, Feldman, Kramer, Lee, Sydnor, Waldstreicher, Washington, and Young Young, Augustine, Corderman, <u>Eckardt, Edwards, Elfreth, Griffith, Guzzone, Hershey, Jennings, Kelley,</u> King, Klausmeier, McCray, Peters, Rosapepe, Salling, and Zucker

Requested: September 24, 2020 Introduced and read first time: January 13, 2021 Assigned to: Budget and Taxation and Finance

Committee Report: Favorable with amendments Senate action: Adopted Read second time: March 6, 2021

CHAPTER _____

1 AN ACT concerning

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Maryland Health Equity Resource Act

3 FOR the purpose of establishing a Pathways to Health Equity Program in the Community 4 Health Resources Commission; providing for the purpose of the Program; requiring the Program to provide grant funding for a certain purpose; requiring the $\mathbf{5}$ 6 Commission to issue a certain request for proposals and establish certain criteria; 7 providing for the duration of certain grants; requiring the Commission to give certain consideration to certain proposals; requiring certain staff support for the 8 9 Commission; requiring the Commission to report to the Governor and the General 10 Assembly on or before certain dates; establishing a Pathways to Health Equity Fund 11 in the Commission as a special, nonlapsing fund; specifying the purpose of the Fund; 12requiring the Commission to administer the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents 1314 of the Fund; specifying the purpose for which the Fund may be used; altering the 15purposes of the Maryland Health Benefit Exchange Fund; altering the purposes for which the Maryland Health Benefit Exchange Fund may be used; requiring the 16 17Governor to transfer and appropriate a certain amount to the Health Equity Resource Community Reserve Fund in certain fiscal years; requiring the Secretary 1819of Health Community Health Resources Commission to designate certain areas as 20Health Equity Resource Communities in a certain manner; specifying the purpose of 21establishing Health Equity Resource Communities; authorizing, beginning on a

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 <u>certain date</u>, the <u>Secretary</u> <u>Commission</u> to adopt certain regulations; requiring the $\mathbf{2}$ Secretary to consult with the Office of Minority Health and Health Disparities to 3 provide certain technical assistance in implementing certain provisions of this Act; 4 requiring any other unit in the Maryland Department of Health to provide certain $\mathbf{5}$ assistance at the request of the Commission in implementing certain provisions of 6 this Act: requiring the Secretary to allocate staff and resources to carry out certain $\overline{7}$ provisions of this Act; requiring the Secretary Commission to establish a Health 8 Equity Resource Community Advisory Committee on or before a certain date; 9 establishing the duties of the Advisory Committee; providing for the composition, 10 cochairs chair, and meetings of the Advisory Committee; specifying the terms and 11 conditions for the removal of Advisory Committee members; prohibiting a member of the Advisory Committee from receiving certain compensation, but authorizing the 1213 reimbursement of certain expenses; authorizing the Commission to convene certain 14working and advisory groups; authorizing federally qualified health centers, 15nonprofit community-based organizations, nonprofit hospitals, institutions of higher 16 education, and local government agencies to apply to the Secretary Commission on 17behalf of certain areas for designation as Health Equity Resource Communities; 18 establishing certain procedures and requirements in connection with the application 19 process; authorizing requiring an application to include certain elements; requiring 20the application to allocate certain funding to cover certain costs for a certain 21employee; authorizing nonprofit community-based organizations, nonprofit 22hospitals, institutions of higher education, federally qualified health centers, and 23local government agencies to contract with a historically black college or university 24in the State to provide certain services under certain circumstances; requiring the 25Secretary Commission to consider certain factors and prioritize certain applications 26when designating areas as Health Equity Resource Communities; authorizing the 27Secretary Commission to conduct certain outreach for a certain purpose; establishing 28certain requirements for an employee to be designated as an evaluator; establishing 29that the Secretary's Commission's decision to designate an area as a Health Equity 30 Resource Community is final; authorizing certain health care providers who practice 31 in Health Equity Resource Communities to receive certain tax credits, assistance, 32and grants; authorizing certain nonprofit community-based organizations, nonprofit hospitals, institutions of higher education, and local government agencies to receive 33 34 certain grants; establishing a Health Equity Resource Community Reserve Fund; 35 establishing the purpose and contents of the Fund; requiring the Secretary 36 Commission to administer the Fund; requiring the Fund to provide certain money to 37 the Maryland Department of Health to supplement and not supplant existing 38 funding for certain programs; requiring the State Treasurer to invest the money of 39 the Fund in a certain manner; requiring the interest earnings of the Fund to be 40 credited to the Fund; exempting the Fund from a certain provision of law requiring 41 interest earnings on State money to accrue to the General Fund of the State; 42requiring certain nonprofit community-based organizations, nonprofit hospitals, 43institutions of higher education, federally gualified health centers, and local 44government agencies to submit certain reports; authorizing the Secretary 45Commission to revoke a designation of an area as a Health Equity Resource 46 Community under certain circumstances; requiring the Secretary Commission to 47submit certain reports; establishing that a designation of an area as a Health Equity

1 Resource Community has a term of a certain length and may be renewed in a certain $\mathbf{2}$ manner; authorizing certain credits against the State income tax for certain health 3 care providers and organizations under certain circumstances; authorizing certain 4 nonprofit community-based organizations, nonprofit hospitals, institutions of higher education, and local government agencies to apply for certain tax credits under $\mathbf{5}$ 6 certain circumstances for certain health care providers; authorizing a health care $\overline{7}$ practitioner or community-based organization to claim a certain refundable tax 8 eredit, under certain circumstances; establishing certain procedures and 9 requirements for certifying certain tax credits; establishing a certain limit on the 10 amount of certain tax credits allowed for a fiscal year; requiring the Secretary, in consultation with the Comptroller, to adopt certain regulations; altering the sales 11 and use tax rate for the sale of certain alcoholic beverages; requiring a certain 12percentage of revenues generated from a certain tax to be credited to the Fund; 13 defining certain terms; providing for the construction of certain provisions of this 1415Act: making this Act an emergency measure; providing for the termination of certain provisions of this Act; and generally relating to health improvement and the 16 17reduction of health disparities.

- 18 BY adding to
- 19 Article Health General
- 20 Section <u>19–2112; and</u> 20–1401 through 20–1408 to be under the new subtitle 21 "Subtitle 14. Health Equity Resource Communities"
- 22 Annotated Code of Maryland
- 23 (2019 Replacement Volume and 2020 Supplement)
- 24 BY repealing and reenacting, without amendments,
- 25 <u>Article Insurance</u>
- 26 <u>Section 31–107(a)</u>
- 27 <u>Annotated Code of Maryland</u>
- 28 (2017 Replacement Volume and 2020 Supplement)
- 29 BY repealing and reenacting, with amendments,
- 30 <u>Article Insurance</u>
- 31 <u>Section 31–107(b) and (f)</u>
- 32 <u>Annotated Code of Maryland</u>
- 33 (2017 Replacement Volume and 2020 Supplement)
- 34 BY repealing and reenacting, without amendments,
- 35 Article State Finance and Procurement
- 36 Section 6–226(a)(2)(i)
- 37 Annotated Code of Maryland
- 38 (2015 Replacement Volume and 2020 Supplement)
- 39 BY repealing and reenacting, with amendments,
- 40 Article State Finance and Procurement
- 41 Section 6–226(a)(2)(ii)122. and 123.
- 42 Annotated Code of Maryland

(2015 Replacement Volume and 2020 Supplement)
BY adding to Article – State Finance and Procurement Section 6–226(a)(2)(ii)124. Annotated Code of Maryland (2015 Replacement Volume and 2020 Supplement)
BY adding to A rticle – Tax – General Section 10–731 Annotated Code of Maryland (2016 Replacement Volume and 2020 Supplement)
BY repealing and reenacting, with amendments, Article – Tax – General Section 11–104(g) Annotated Code of Maryland (2016 Replacement Volume and 2020 Supplement)
Preamble
WHEREAS, Chapter 3 of 2012, the Maryland Health Improvement and Disparities Reduction Act of 2012, established Health Enterprise Zones to target State resources to reduce health disparities, improve health outcomes, and reduce health costs and hospital admissions and readmissions in specific areas of the State; and
WHEREAS, The provisions of that Act abrogated June 30, 2017; and
WHEREAS, A 2018 study concluded that the net cost savings under that Act far outweighed the initiative's cost to the State and that implementing such an initiative would be a viable way to reduce inpatient admissions and reduce health care costs; and
WHEREAS, The COVID-19 pandemic has made it clear that certain communities lack the health care resources they need, leading to disturbing health disparities; now, therefore,
SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
Article – Health – General
<u>19–2112.</u>
(A) (1) <u>The Commission shall establish a Pathways to Health</u> <u>Equity Program.</u>

 $12 \\ 13 \\ 14 \\ 15 \\ 16$

1	(2) (I) THE PURPOSE OF THE PROGRAM IS TO PROVIDE THE
2	FOUNDATION AND GUIDANCE FOR A PERMANENT HEALTH EQUITY RESOURCE
3	<u>Community program under Title 20, Subtitle 14.</u>
4	(II) CRISP SHALL PROVIDE TECHNICAL ASSISTANCE TO THE
5	COMMISSION BY MAINTAINING A DATA SET AND SUPPORTING PROGRAM
6	EVALUATION FOR THE PROGRAM.
7	(3) (1) THE PROGRAM SHALL PROVIDE GRANT FUNDING TO
8	REDUCE HEALTH DISPARITIES, IMPROVE HEALTH OUTCOMES, IMPROVE ACCESS TO
9	PRIMARY CARE, PROMOTE PRIMARY AND SECONDARY PREVENTION SERVICES, AND
10	REDUCE HEALTH CARE COSTS AND HOSPITAL ADMISSIONS AND READMISSIONS.
10	
11	(II) THE COMMISSION SHALL ISSUE A REQUEST FOR
12	PROPOSALS FOR APPLICANTS WITH PROPOSALS FOR PROGRAMS THAT:
13	<u>1.</u> Address the criteria listed under
14	SUBPARAGRAPH (I) OF THIS PARAGRAPH; AND
15	2. DEMONSTRATE HOW THE PROPOSED PROGRAM
16	COULD BE SELF-SUSTAINABLE AS A HEALTH EQUITY RESOURCE COMMUNITY
17	<u>under Title 20, Subtitle 14 of this article.</u>
10	(III) THE COMMISSION SHALL ESTADISH THE SDITEDIA TO
18	(III) THE COMMISSION SHALL ESTABLISH THE CRITERIA TO QUALIFY FOR GRANT FUNDING UNDER THIS SUBSECTION.
19	QUALIFY FOR GRANT FUNDING UNDER THIS SUBSECTION.
20	(IV) GRANTS AWARDED THROUGH THE PROGRAM SHALL BE FOR
$\frac{20}{21}$	2 YEARS.
22	(V) THE COMMISSION SHALL GIVE SPECIAL CONSIDERATION
23	TO PROPOSALS FROM AREAS PREVIOUSLY DESIGNATED AS A HEALTH ENTERPRISE
24	ZONE.
25	(4) ONE ADDITIONAL STAFF SHALL BE ADDED TO THE COMMISSION
26	TO PROVIDE STAFF SUPPORT FOR THE PROGRAM.
27	(5) (I) ON OR BEFORE DECEMBER 1, 2021, THE COMMISSION
28	SHALL ISSUE AN INTERIM REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH
29	<u>§ 2–1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE</u>
30	<u>GRANTS AWARDED UNDER PARAGRAPH (3) OF THIS SUBSECTION, INCLUDING:</u>
9 1	$1 \qquad A + i \cos A \sin \alpha \sin \alpha \sin \alpha \cos \alpha \sin \alpha \cos \alpha \sin \alpha \sin \alpha \sin \alpha \sin \alpha$
31	1. A LIST AND SUMMARY OF THE GRANTS AWARDED;

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$\frac{1}{2}$	<u>2.</u> <u>An overview of key interventions in the</u> <u>Grants awarded;</u>
$\frac{3}{4}$	<u>3.</u> <u>Specific health disparities that will be</u> <u>Addressed by the grants; and</u>
$5 \\ 6$	4. <u>Key measures to evaluate the impact of each</u>
7 8 9	(II) ON OR BEFORE JANUARY 1, 2023, THE COMMISSION SHALL ISSUE A FINAL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2–1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON:
$10 \\ 11 \\ 12$	<u>1.</u> <u>The grants awarded under paragraph (3) of</u> <u>This subsection, including a description of the grantee's program and</u> <u>Any data related to cost savings achieved under the program;</u>
$\begin{array}{c} 13\\14\\15\end{array}$	2. Options to develop, sustain, and establish a permanent Health Equity Resource Community program in the Department;
$\frac{16}{17}$	3. <u>Cost-effective ways to measure the impact of</u> <u>A Health Equity Resource Community;</u>
18 19	4. WORKFORCE AND RECRUITMENT STRATEGIES TO BE USED BY A HEALTH EQUITY RESOURCE COMMUNITY; AND
20 21 22	5. <u>Any recommendations, including legislative</u> <u>recommendations, related to Health Equity Resource Communities</u> <u>established under Title 20, Subtitle 14 of the Health – General Article.</u>
$\frac{23}{24}$	(B) (1) THERE IS A PATHWAYS TO HEALTH EQUITY FUND IN THE COMMISSION.
25 26 27	(2) THE PURPOSE OF THE FUND IS TO IMPLEMENT THE REQUIREMENTS OF SUBSECTION (A) OF THIS SECTION THROUGH GRANT FUNDING AND STAFF SUPPORT.
28 29 30	 (3) THE COMMISSION SHALL ADMINISTER THE FUND. (4) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

1	(II) THE STATE TREASURER SHALL HOLD THE FUND
2	SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.
3	(5) THE FUND CONSISTS OF:
4	(I) THE \$14,000,000 AUTHORIZED FOR THE COMMISSION
5	UNDER CHAPTER 39 OF THE ACTS OF THE GENERAL ASSEMBLY OF 2021; AND
6	(II) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED
7	FOR THE BENEFIT OF THE FUND.
8	(6) THE FUND SHALL BE SUBJECT TO AN AUDIT BY THE OFFICE OF
9	LEGISLATIVE AUDITS AS PROVIDED FOR IN § 2–1220 OF THE STATE GOVERNMENT
10	ARTICLE.
1 1	
$\frac{11}{12}$	(7) <u>THE FUND MAY BE USED ONLY TO IMPLEMENT THE</u> <u>REQUIREMENTS OF SUBSECTION (A) OF THIS SECTION AND TO EVALUATE THE</u>
13	IMPACT OF GRANTS AWARDED UNDER THE PROGRAM.
14	(8) (I) MONEY EXPENDED FROM THE FUND TO IMPLEMENT THE
15	REQUIREMENTS OF SUBSECTION (A) OF THIS SECTION AND TO EVALUATE THE
16 17	IMPACT OF GRANTS AWARDED UNDER THE PROGRAM IS NOT INTENDED TO
17 18	<u>SUPPLANT FUNDING THAT IS APPROPRIATED TO THE COMMISSION IN ACCORDANCE</u> WITH § 14–106(D)(2)(II) OF THE INSURANCE ARTICLE AND DEPOSITED IN THE
19	COMMUNITY HEALTH RESOURCES COMMISSION FUND FOR THE PURPOSES SET
20	FORTH UNDER § 19–2201 OF THIS TITLE.
21	(II) THE FUND MAY NOT BE COMMINGLED OR COMBINED WITH
22	THE COMMUNITY HEALTH RESOURCES COMMISSION FUND.
23	SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
24	as follows:
25	Article – Health – General
26	SUBTITLE 14. HEALTH EQUITY RESOURCE COMMUNITIES.
27	20-1401.
28	(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
29	INDICATED.
30	(B) "ADVISORY COMMITTEE" MEANS THE HEALTH EQUITY RESOURCE
31	COMMUNITY ADVISORY COMMITTEE.

1 (C) <u>"Commission" means the Community Health Resources</u> 2 <u>Commission.</u>

3 (C) (D) "COMMUNITY HEALTH WORKER" HAS THE MEANING STATED IN §
4 13–3701 OF THIS ARTICLE.

5 (D) (E) "FEDERALLY QUALIFIED HEALTH CENTER" HAS THE MEANING 6 STATED IN § 24–1301 OF THIS ARTICLE.

7 (F) (F) "FUND" MEANS THE HEALTH EQUITY RESOURCE COMMUNITY 8 RESERVE FUND ESTABLISHED UNDER § 20–1407 OF THIS SUBTITLE.

9 (F) (G) "HEALTH CARE PRACTITIONER" MEANS AN INDIVIDUAL OR, 10 COLLECTIVELY, A GROUP OF INDIVIDUALS WORKING TOGETHER WITHIN THE SAME 11 PRACTICE, EACH OF WHOM IS LICENSED, CERTIFIED, OR OTHERWISE AUTHORIZED 12 BY LAW TO PROVIDE HEALTH CARE SERVICES UNDER THE HEALTH OCCUPATIONS 13 ARTICLE.

14 (G) (H) "HEALTH DISPARITY" MEANS A PARTICULAR TYPE OF HEALTH
15 DIFFERENCE, SUCH AS A DIFFERENCE IN RATES OF HYPERTENSION, HEART
16 DISEASE, ASTHMA, DIABETES, SUBSTANCE ABUSE, MENTAL HEALTH DISORDERS,
17 AND MATERNAL AND INFANT MORTALITY, THAT:

18(1) IS CLOSELY LINKED WITH SOCIAL, ECONOMIC, OR19ENVIRONMENTAL DISADVANTAGE; AND

20 (2) ADVERSELY AFFECTS GROUPS OF INDIVIDUALS WHO HAVE 21 SYSTEMATICALLY EXPERIENCED GREATER OBSTACLES TO HEALTH CARE BASED ON 22 THEIR:

- 23 (I) **R**
- **RACE OR ETHNICITY;**
- 24 (II) RELIGION;
- 25 (III) SOCIOECONOMIC STATUS;
- 26 (IV) GENDER, GENDER IDENTITY, OR SEXUAL ORIENTATION;
- 27 (V) AGE;
- 28 (VI) MENTAL HEALTH STATUS;
- 29 (VII) COGNITIVE, SENSORY, OR PHYSICAL DISABILITY;

(VIII) GEOGRAPHIC LOCATION; OR (IX) OTHER CHARACTERISTIC HISTORICALLY LINKED DISCRIMINATION OR EXCLUSION. (II) (II) "HEALTH EQUITY RESOURCE COMMUNITY" **CONTIGUOUS GEOGRAPHIC AREA THAT:** (1) DEMONSTRATES MEASURABLE AND DOCUMENTED HEALTH **DISPARITIES AND POOR HEALTH OUTCOMES;** (2) IS SMALL ENOUGH TO ALLOW FOR THE INCENTIVES OFFERED UNDER THIS SUBTITLE TO HAVE A SIGNIFICANT IMPACT ON IMPROVING HEALTH OUTCOMES AND REDUCING HEALTH DISPARITIES, INCLUDING RACIAL, ETHNIC, **GEOGRAPHIC, AND DISABILITY RELATED HEALTH DISPARITIES;** (3) IS DESIGNATED BY THE SECRETARY ACCORDANCE WITH THE PROVISIONS OF THIS SUBTITLE; AND (4) HAS A MINIMUM POPULATION OF 5,000 RESIDENTS. "HOSPITAL" HAS THE MEANING STATED IN § 19-301 OF THIS (]) (J) ARTICLE. "INSTITUTION OF HIGHER EDUCATION" HAS THE MEANING (J) (K) STATED IN § 10–101 OF THE EDUCATION ARTICLE. 20 - 1402.THE PURPOSE OF ESTABLISHING HEALTH EQUITY RESOURCE (A) COMMUNITIES IS TO TARGET STATE RESOURCES TO SPECIFIC AREAS OF THE STATE TO: (1) **REDUCE HEALTH DISPARITIES;** (2) **IMPROVE HEALTH OUTCOMES;** (3) **IMPROVE ACCESS TO PRIMARY CARE;** (4) **PROMOTE PRIMARY AND SECONDARY PREVENTION SERVICES;** AND (5) **REDUCE HEALTH CARE COSTS AND HOSPITAL ADMISSIONS AND READMISSIONS.**

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IN

MEANS

COMMISSION

1 (B) (1) THE <u>Secretary</u> <u>Commission</u> MAY ADOPT REGULATIONS TO 2 CARRY OUT THE PROVISIONS OF THIS SUBTITLE AND TO SPECIFY ELIGIBILITY 3 CRITERIA AND APPLICATION, APPROVAL, AND MONITORING PROCESSES FOR THE 4 RESOURCES ALLOCATED UNDER THIS SUBTITLE.

5 (2) (1) THE <u>SECRETARY SHALL CONSULT WITH THE</u> OFFICE OF 6 MINORITY HEALTH AND HEALTH DISPARITIES <u>SHALL PROVIDE TECHNICAL</u> 7 <u>ASSISTANCE TO THE COMMISSION</u> IN IMPLEMENTING THE PROVISIONS OF THIS 8 SUBTITLE.

9 (II) AT THE REQUEST OF THE COMMISSION, ANY OTHER UNIT IN
 10 THE DEPARTMENT SHALL PROVIDE TECHNICAL ASSISTANCE TO THE COMMISSION
 11 IN IMPLEMENTING THE PROVISIONS OF THIS SUBTITLE.

12(C)THE SECRETARY SHALL ALLOCATE STAFF AND RESOURCES AS13NECESSARYTWO ADDITIONAL STAFF SHALL BE ADDED TO THE COMMISSION TO14CARRY OUT THE PROVISIONS OF THIS SUBTITLE.

15 **20–1403.**

16 (A) (1) ON OR BEFORE <u>DECEMBER</u> JULY 1, 2021, THE <u>SECRETARY</u> 17 <u>COMMISSION</u> SHALL ESTABLISH A HEALTH EQUITY RESOURCE COMMUNITY 18 ADVISORY COMMITTEE.

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(2) THE DUTIES OF THE ADVISORY COMMITTEE INCLUDE:

(I) PROVIDING INITIAL AND ONGOING ASSISTANCE AND
 GUIDANCE REGARDING ELIGIBILITY CRITERIA AND APPLICATION, APPROVAL, AND
 MONITORING PROCESSES PROGRAM EVALUATION AND DATA COLLECTION METRICS
 FOR HEALTH EQUITY RESOURCE COMMUNITIES AND HEALTH EQUITY RESEARCH
 PRACTITIONERS;

(II) COORDINATING WITH THE SECRETARY AS TO ASSISTING
 THE COMMISSION IN PREPARING THE REQUIRED ANNUAL REPORT DESCRIBED IN §
 20–1408(B) OF THIS SUBTITLE AND § 19–2112 OF THIS ARTICLE; AND

(III) <u>PROPOSING STRATEGIES FOR TAX INCENTIVES AND LOAN</u>
 <u>REPAYMENTS TO ASSIST HEALTH EQUITY RESOURCE COMMUNITIES IN ACHIEVING</u>
 <u>THEIR MISSION; AND</u>

31(IV)PROVIDINGGUIDANCE, ASDETERMINEDBYTHE32COMMISSION, TO THE SECRETARYCOMMISSION AS NECESSARY TO IMPLEMENT THE33PROVISIONS OF THIS SUBTITLE.

1	(B) THE ADVISORY COMMITTEE CONSISTS OF:
$\frac{2}{3}$	(1) <u>The Chair of the Community Health Resources</u> <u>Commission, or the Chair's designee;</u>
4 5	(2) <u>The Director of the Office of Minority Health and</u> <u>Health Disparities, or the Director's designee;</u>
$6 \\ 7$	(1) (3) <u>Three members appointed by the Governor,</u> <u>including:</u>
8 9	(I) ONE INDIVIDUAL REPRESENTING THE MARYLAND DEPARTMENT OF HEALTH; AND
10 11	(II) ONE INDIVIDUAL WITH EXPERTISE IN HEALTH CARE <u>FINANCING;</u>
$\frac{12}{13}$	(4) THREE MEMBERS APPOINTED BY THE PRESIDENT OF THE SENATE, INCLUDING:
$\begin{array}{c} 14 \\ 15 \end{array}$	(I) ONE INDIVIDUAL WITH EXPERTISE IN THE SOCIAL DETERMINANTS OF HEALTH; AND
16 17 18	(II) ONE INDIVIDUAL WHO IS A MEMBER OF THE GENERAL PUBLIC RESIDING IN AN AREA THAT HAS BEEN OR MAY BE DESIGNATED A HEALTH EQUITY RESOURCE COMMUNITY; AND
$19 \\ 20$	(5) <u>Three members appointed by the Speaker of the House,</u> <u>including:</u>
21	(I) ONE INDIVIDUAL WITH EXPERTISE IN HEALTH EQUITY; AND
$\frac{22}{23}$	(II) ONE INDIVIDUAL WHO IS A MEMBER OF THE GENERAL PUBLIC RESIDING IN AN AREA THAT HAS BEEN OR MAY BE DESIGNATED A HEALTH
$\frac{25}{24}$	EQUITY RESOURCE COMMUNITY. THE FOLLOWING MEMBERS, APPOINTED BY THE
25	Governor:
26	(i) One representative of the Maryland Medical
27	Assistance Program;
28	(II) ONE REPRESENTATIVE OF THE OFFICE OF POPULATION
29	Health Improvement;

	12		SENATE BILL 172
$egin{array}{c} 1 \\ 2 \end{array}$	PROMOTION AD		ONE REPRESENTATIVE OF THE PREVENTION AND HEALTH RATION;
$\frac{3}{4}$	Services;	(IV)	ONE REPRESENTATIVE OF THE DEPARTMENT OF HUMAN
$5 \\ 6$	TRANSPORTATIC	(V) P N;	ONE REPRESENTATIVE OF THE DEPARTMENT OF
7 8	REVIEW COMMIS		One representative of the Health Services Cost and
9 10 11		RESIE	One representative who is a member of the general des in an area which has been or may be designated as ource Community; and
$\frac{12}{13}$	(2) the Senate:	THE 	FOLLOWING MEMBERS, APPOINTED BY THE PRESIDENT OF
14		(I)	ONE REPRESENTATIVE OF PHYSICIANS;
15		(II)	ONE REPRESENTATIVE OF NURSES;
16		(III)	One representative of hospitals;
17		(IV)	ONE REPRESENTATIVE OF DENTISTS;
$\frac{18}{19}$	COMMUNITY;	(V)	ONE REPRESENTATIVE FROM THE BEHAVIORAL HEALTH
$\begin{array}{c} 20\\ 21 \end{array}$	INFORMATION ST		ONE REPRESENTATIVE OF THE CHESAPEAKE REGIONAL FOR OUR PATIENTS;
$\frac{22}{23}$	Communities;	(VII)	ONE REPRESENTATIVE OF ACCOUNTABLE HEALTH
$\begin{array}{c} 24 \\ 25 \end{array}$	ORGANIZATION;		ONE REPRESENTATIVE OF A CARE TRANSFORMATION
26 27 28		HDES I	One representative who is a member of the general n an area which has been or may be designated as a urce Community; and

1	(3)	THE	FOLLOWING MEMBERS, APPOINTED BY THE SPEAKER OF THE
2	House:		
3		(I)	ONE REPRESENTATIVE OF A STATEWIDE HEALTH CARE
4	ADVOCACY COAL	.ITION;	
5		(II)	One representative of a statewide consumer
6	ADVOCACY GROU	JP;	
7		` '	ONE REPRESENTATIVE OF A STATEWIDE ADVOCACY
8	ORGANIZATION I	FOR SE	NIORS;
9		` '	ONE REPRESENTATIVE OF A STATEWIDE ORGANIZATION
10	FOR DIVERSE CO	WINU N	ITIES;
11		(V)	ONE REPRESENTATIVE OF A LABOR UNION;
12		(VI)	ONE REPRESENTATIVE OF AN AREA PREVIOUSLY
13	DESIGNATED AS	A HEA I	TH ENTERPRISE ZONE;
14		(VII)	One representative of a statewide immigrant
15	ADVOCACY GROU	JP; ANI	€
16		` '	ONE REPRESENTATIVE WHO IS A MEMBER OF THE GENERAL
17 18			n an area which has been or may be designated as a urce Community.
	·		
$\frac{19}{20}$	(C) (1) SHALL HAVE KNO		LECTIVELY, THE MEMBERS OF THE ADVISORY COMMITTEE GE OF THE FOLLOWING:
21		(I)	EXISTING OR POTENTIAL HEALTH DISPARITIES IN THE
22	STATE;		
23		(II)	GROUPS OF RESIDENTS NEGATIVELY AFFECTED BY HEALTH
24	DISPARITIES;		
25		(III)	SYSTEMS, POLICIES, AND METHODS LIKELY TO IMPROVE
26	HEALTH OUTCOM	IES AN	D REDUCE HEALTH DISPARITIES;
27		(IV)	E FFECTIVE PREVENTION SERVICES;
28		(V)	HEALTH CARE COSTS, TRENDS, AND DRIVERS;
29		(VI)	CLINICAL AND HEALTH SERVICES RESEARCH; AND

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1	(VII) CONSUMER OR PATIENT PERSPECTIVES; AND
$2 \\ 3$	(VII) INNOVATIVE WAYS TO ADDRESS SOCIAL DETERMINANTS OF HEALTH THROUGH THE USE OF COMMUNITY HEALTH WORKERS.
$\begin{array}{c} 4\\ 5\\ 6\end{array}$	(2) TO THE EXTENT PRACTICABLE AND CONSISTENT WITH FEDERAL AND STATE LAW, THE MEMBERSHIP OF THE ADVISORY COMMITTEE SHALL REFLECT THE RACIAL, ETHNIC, <u>GEOGRAPHIC</u> , AND GENDER DIVERSITY OF THE STATE.
7 8	(3) THE SECRETARY SHALL DESIGNATE THREE COCHAIRS FROM AMONG THE MEMBERS OF THE ADVISORY COMMITTEE.
9 10	(3) THE CHAIR OF THE MARYLAND COMMUNITY HEALTH Resources Commission shall chair the Advisory Committee.
$\frac{11}{12}$	(D) (1) THE TERM OF A MEMBER OF THE ADVISORY COMMITTEE IS 4 YEARS.
13 14	(2) THE Secretary <u>Commission</u> shall stagger the terms of the initial appointed members.
$\begin{array}{c} 15\\ 16\end{array}$	(3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.
17 18 19	(4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES ONLY FOR THE REMAINDER OF THAT TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.
$20 \\ 21 \\ 22$	(5) The <u>Secretary</u> <u>Commission</u> may remove an appointed member for incompetence, misconduct, or failure to perform the duties of the position.
23	(E) A MEMBER OF THE ADVISORY COMMITTEE:
$\begin{array}{c} 24 \\ 25 \end{array}$	(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE ADVISORY COMMITTEE; BUT
$\frac{26}{27}$	(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.
28	(F) THE ADVISORY COMMITTEE SHALL:
$\begin{array}{c} 29\\ 30 \end{array}$	(1) ON OR BEFORE JANUARY 1, 2022, HOLD AN INITIAL MEETING; AND

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

(2) **MEET AT LEAST ONCE EVERY 6 MONTHS THEREAFTER.**

 $\mathbf{2}$ (G) THIS SECTION MAY NOT BE CONSTRUED TO PREVENT THE SECRETARY 3 FROM CONVENING OTHER FORMAL OR INFORMAL WORKING OR ADVISORY GROUPS 4 TO FACILITATE THE IMPLEMENTATION OF THIS SUBTITLE.

 $\mathbf{5}$ THE COMMISSION MAY CONVENE WORKING OR ADVISORY GROUPS TO 6 FACILITATE THE IMPLEMENTATION OF THIS SUBTITLE THAT SHALL INCLUDE 7 INDIVIDUALS WHO RESIDE IN AN AREA THAT HAS BEEN OR MAY BE DESIGNATED AS A HEALTH EQUITY RESOURCE COMMUNITY. 8

20 - 1404.9

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3132

(A) FOR AN AREA TO RECEIVE A DESIGNATION AS A HEALTH EQUITY 10 **RESOURCE COMMUNITY, A NONPROFIT COMMUNITY-BASED ORGANIZATION, A** 11 12NONPROFIT HOSPITAL, AN INSTITUTION OF HIGHER EDUCATION, A FEDERALLY 13 **QUALIFIED HEALTH CENTER, OR A LOCAL GOVERNMENT AGENCY SHALL APPLY**:

APPLY TO THE SECRETARY COMMISSION ON BEHALF OF THE 14 AREA TO RECEIVE THE DESIGNATION; AND 15

16 INCLUDE FEDERALLY QUALIFIED HEALTH CENTERS OR OTHER COMMUNITY-BASED ORGANIZATIONS TO PROVIDE HEALTH OR WRAPAROUND 17SUPPORT SERVICES WITHIN THE HEALTH EQUITY RESOURCE COMMUNITY. 18

19 SUBJECT TO SUBSECTIONS (C) AND (E) OF THIS SECTION, THE 20APPLICATION SHALL BE IN THE FORM AND MANNER AND CONTAIN THE 21INFORMATION THAT THE SECRETARY COMMISSION REQUIRES.

22THE APPLICATION SHALL CONTAIN AN EFFECTIVE AND 23SUSTAINABLE PLAN TO REDUCE HEALTH DISPARITIES, REDUCE COSTS OR PRODUCE SAVINGS TO THE HEALTH CARE SYSTEM, AND IMPROVE HEALTH OUTCOMES. 24

25

26A DESCRIPTION OF HOW THE PLAN WILL EXPAND 27FEDERALLY QUALIFIED HEALTH CENTERS' OR OTHER COMMUNITY-BASED ORGANIZATIONS' CAPACITY TO PROVIDE HEALTH CARE SERVICES OR WRAPAROUND 28SERVICES TO ADDRESS SOCIAL DETERMINANTS OF HEALTH; AND 29

16 **SENATE BILL 172** 1 1. **BUILDING HEALTH CARE PROVIDER CAPACITY;** $\mathbf{2}$ 2. **IMPROVING HEALTH SERVICES DELIVERY;** 3. 3 **EFFECTUATING COMMUNITY IMPROVEMENTS;** 4. 4 **CONDUCTING OUTREACH AND EDUCATION EFFORTS;** $\mathbf{5}$ 5. **IMPLEMENTING SYSTEMIC STRATEGIES TO IMPROVE** 6 COORDINATION AND COMMUNICATION ACROSS ORGANIZATIONS THAT PROVIDE 7 **HEALTH CARE SERVICES:** 8 6. SUPPORTING COMMUNITY **LEADERSHIP** 9 **DEVELOPMENT EFFORTS:** 10 7. **FACILITATING POLICY INTERVENTIONS TO ADDRESS** 11 **UPSTREAM DETERMINANTS OF HEALTH; AND** 128. IMPLEMENTING SCALABLE APPROACHES TO MEET THE NONMEDICAL SOCIAL NEEDS OF POPULATIONS IDENTIFIED IN THE MOST 13 14RECENT COMMUNITY HEALTH NEEDS ASSESSMENT, SUCH AS UNSTABLE HOUSING, 15INADEQUATE FOOD, OR JOB DEVELOPMENT; AND 16 (III) A PROPOSAL TO USE FUNDING AVAILABLE UNDER THIS 17SUBTITLE TO PROVIDE FOR LOAN REPAYMENT INCENTIVES TO INDUCE HEALTH 18 **CARE PRACTITIONERS TO PRACTICE IN THE AREA.** 19 **(D)** THE APPLICATION MAY INCLUDE: 20(1) A PLAN TO USE TAX CREDITS AVAILABLE UNDER THIS SUBTITLE AND § 10-731 OF THE TAX - GENERAL ARTICLE AND OTHER RESOURCES TO 2122ENCOURAGE HEALTH CARE PRACTITIONERS AND COMMUNITY HEALTH WORKERS TO 23 ESTABLISH OR EXPAND HEALTH CARE PRACTICES IN THE AREA A PROPOSAL TO USE 24FUNDING AVAILABLE UNDER THIS SUBTITLE TO PROVIDE FOR LOAN REPAYMENT 25INCENTIVES TO INDUCE HEALTH CARE PRACTITIONERS TO PRACTICE IN THE AREA; 26(2) A PROPOSAL TO USE INNOVATIVE PUBLIC HEALTH STRATEGIES 27TO REDUCE HEALTH DISPARITIES IN THE AREA THAT MAY BE SUPPORTED BY GRANTS AWARDED UNDER THIS SUBTITLE, SUCH AS THE USE OF COMMUNITY 2829HEALTH WORKERS, COMMUNITY HEALTH CENTERS, FEDERALLY QUALIFIED HEALTH CENTERS, INSTITUTIONS OF HIGHER EDUCATION, AND COMMUNITY-BASED DISEASE 30 31MANAGEMENT ACTIVITIES; AND

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

6 (E) THE APPLICATION SUBMITTED IN ACCORDANCE WITH THIS SECTION 7 SHALL ALLOCATE SUFFICIENT FUNDING TO COVER SALARY AND BENEFIT COSTS FOR 8 THE EVALUATOR REQUIRED UNDER § 20–1406 OF THIS SUBTITLE.

9 **20–1405.**

(2)

10(A)(1)The Secretary shallOn or before October 1, 2022, the11Commission shall issue a request for proposals toDesignate areas as12Health Equity Resource Communities in accordance with this subtitle.

13

THE SECRETARY COMMISSION:

14(I)SHALL CONSIDER GEOGRAPHIC DIVERSITY, AMONG OTHER15FACTORS, WHEN DESIGNATING AREAS AS HEALTH EQUITY RESOURCE16COMMUNITIES; AND

17 (II) MAY CONDUCT OUTREACH EFFORTS TO FACILITATE A 18 GEOGRAPHICALLY DIVERSE POOL OF APPLICANTS, INCLUDING EFFORTS TO 19 FACILITATE SUBMISSION OF APPLICATIONS FROM RURAL AREAS.

20 (3) AFTER RECEIVING ALL APPLICATIONS SUBMITTED TO THE 21 SECRETARY COMMISSION, THE SECRETARY COMMISSION SHALL REPORT TO THE 22 SENATE FINANCE COMMITTEE AND THE HOUSE HEALTH AND GOVERNMENT 23 OPERATIONS COMMITTEE, IN ACCORDANCE WITH § 2–1257 OF THE STATE 24 GOVERNMENT ARTICLE, ON THE NAMES OF APPLICANTS AND GEOGRAPHIC AREAS 25 IN WHICH APPLICANTS ARE LOCATED.

26 (B) THE <u>Secretary</u> <u>Commission</u> shall give priority to applications 27 That demonstrate:

28 (1) SUPPORT FROM AND PARTICIPATION OF KEY STAKEHOLDERS IN 29 THE PUBLIC AND PRIVATE SECTORS, INCLUDING RESIDENTS OF THE AREA AND 30 LOCAL GOVERNMENT;

31 (2) A PLAN FOR LONG-TERM FUNDING AND SUSTAINABILITY 32 SELF-SUSTAINABILITY;

33 (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 EQUITY RESOURCE COMMUNITY AND 6 STRATEGIES FOR QUALITY IMPROVEMENT; AND

7(6) OTHER FACTORS THAT THE SECRETARYCOMMISSION8DETERMINE ARE APPROPRIATE TO DEMONSTRATE A COMMITMENT TO REDUCE9HEALTH DISPARITIES AND IMPROVE HEALTH OUTCOMES; AND

10(7)A PREVIOUS DESIGNATION AS A HEALTH ENTERPRISE ZONE OR11INCLUSION OF AREAS PREVIOUSLY INCLUDED IN A HEALTH ENTERPRISE ZONE.

12**(C)** (1) AN APPLICATION FOR DESIGNATION OF AN AREA AS A HEALTH 13 EQUITY RESOURCE COMMUNITY SUBMITTED BY A NONPROFIT COMMUNITY-BASED 14ORGANIZATION, A NONPROFIT HOSPITAL, AN INSTITUTION OF HIGHER EDUCATION, A FEDERALLY QUALIFIED HEALTH CENTER, OR A LOCAL GOVERNMENT AGENCY 15SHALL PROVIDE FOR THE EMPLOYMENT AND SUPERVISION OF EMPLOYMENT OF 16 ONE FULL-TIME EMPLOYEE TO SERVE AS AN EVALUATOR OF THE OPERATION, 17IMPACT, AND EFFECTIVENESS OF THE HEALTH EQUITY RESOURCE COMMUNITY 18 19 DESIGNATED UNDER THIS SUBTITLE.

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

(3) AN EMPLOYEE DESIGNATED AS AN EVALUATOR UNDER THIS
 SUBSECTION SHALL COORDINATE WITH THE SECRETARY AND THE ADVISORY
 COMMITTEE COMMISSION TO:

26 (I) MONITOR THE OPERATION, EFFECTIVENESS, AND IMPACT 27 OF THE HEALTH EQUITY RESOURCE COMMUNITY; AND

(II) PROVIDE DATA, STATISTICS, AND ANALYSIS TO THE
 SECRETARY AND THE HEALTH EQUITY RESOURCE Advisory Committee
 <u>COMMISSION</u> THAT SHALL ADDRESS THE REPORTING ELEMENTS SPECIFIED UNDER
 § 20–1408(B) OF THIS SUBTITLE.

32(D)NOTWITHSTANDINGTHEREQUIREMENTTOHIREAFULL-TIME33EMPLOYEE TO SERVE AS AN EVALUATOR UNDER SUBSECTION (C) OF THIS SECTION,
A NONPROFIT COMMUNITY-BASED ORGANIZATION, A NONPROFIT HOSPITAL, AN

INSTITUTION OF HIGHER EDUCATION, A FEDERALLY QUALIFIED HEALTH CENTER,
 OR A LOCAL GOVERNMENT AGENCY MAY CONTRACT WITH A HISTORICALLY BLACK
 COLLEGE OR UNIVERSITY IN THE STATE TO PROVIDE EVALUATOR SERVICES.

4 (E) THE DECISION OF THE SECRETARY COMMISSION TO DESIGNATE AN 5 AREA AS A HEALTH EQUITY RESOURCE COMMUNITY SHALL BE A FINAL DECISION.

6 (E) (F) A DESIGNATION BY THE SECRETARY COMMISSION OF AN AREA AS 7 A HEALTH EQUITY RESOURCE COMMUNITY SHALL HAVE A TERM OF 5 YEARS AND 8 MAY BE RENEWED IN ACCORDANCE WITH AN APPLICATION APPROVED BY THE 9 SECRETARY COMMISSION.

10 **20–1406.**

11(A)HEALTH CARE PRACTITIONERS AND COMMUNITY HEALTH WORKERS12THAT PRACTICE IN A HEALTH EQUITY RESOURCE COMMUNITY MAY RECEIVE:

13(1)TAX_CREDITS_AGAINST_THE_STATE_INCOME_TAX_AS_PROVIDED14UNDER § 10–731 OF THE TAX – GENERAL ARTICLE; AND

15 (2) LOAN LOAN REPAYMENT ASSISTANCE, AS PROVIDED FOR IN THE 16 APPLICATION FOR DESIGNATION FOR THE HEALTH EQUITY RESOURCE 17 COMMUNITY AND APPROVED BY THE SECRETARY COMMISSION UNDER THIS 18 SUBTITLE.

19 (B) (1) A HEALTH CARE PRACTITIONER OR COMMUNITY HEALTH 20 WORKER MAY APPLY TO THE SECRETARY COMMISSION FOR A GRANT TO DEFRAY 21 THE COSTS OF CAPITAL OR LEASEHOLD IMPROVEMENTS TO, OR MEDICAL OR 22 DENTAL EQUIPMENT TO BE USED IN, A HEALTH EQUITY RESOURCE COMMUNITY.

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

- 26
- (I) OWN OR LEASE THE HEALTH CARE FACILITY; AND
- 27

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

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

1 (II) GRANTS FOR CAPITAL OR LEASEHOLD IMPROVEMENTS 2 SHALL BE FOR THE PURPOSES OF IMPROVING OR EXPANDING THE DELIVERY OF 3 HEALTH CARE IN THE HEALTH EQUITY RESOURCE COMMUNITY.

4 **(C)** (1) A NONPROFIT COMMUNITY-BASED ORGANIZATION, A NONPROFIT $\mathbf{5}$ HOSPITAL, AN INSTITUTION OF HIGHER EDUCATION, A FEDERALLY QUALIFIED 6 HEALTH CENTER, OR A LOCAL GOVERNMENT AGENCY THAT RECEIVES APPROVAL OF AN APPLICATION SUBMITTED UNDER § 20–1403 OF THIS SUBTITLE MAY SUBMIT AN 7 APPLICATION, ON ITS OWN BEHALF, TO RECEIVE GRANTS FOR CAPITAL OR 8 LEASEHOLD IMPROVEMENTS, AS DETERMINED BY THE SECRETARY COMMISSION, 9 10 FOR THE PURPOSES DESCRIBED UNDER SUBSECTION (B)(3)(II) OF THIS SECTION.

11 (2) SUBJECT TO § 20–1408(A)(2) OF THIS SUBTITLE, THE TERM OF 12 ANY GRANT AWARDED TO A NONPROFIT COMMUNITY–BASED ORGANIZATION, A 13 NONPROFIT HOSPITAL, AN INSTITUTION OF HIGHER EDUCATION, <u>A FEDERALLY</u> 14 <u>QUALIFIED HEALTH CENTER</u>, OR A LOCAL GOVERNMENT AGENCY FOR CAPITAL OR 15 LEASEHOLD IMPROVEMENTS UNDER THIS SUBSECTION SHALL HAVE A TERM OF 5 16 YEARS, AND MAY BE RENEWED IN ACCORDANCE WITH AN APPLICATION APPROVED 17 BY THE <u>SECRETARY</u> <u>COMMISSION</u>.

18 **20–1407.**

19 (A) THERE IS A HEALTH EQUITY RESOURCE COMMUNITY RESERVE FUND.

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

21SUPPORT AREAS DESIGNATED BY THE SECRETARY COMMISSION (1) AS HEALTH EQUITY RESOURCE COMMUNITIES BY PROVIDING GRANTS OR TAX 22TO COMMUNITY-BASED ORGANIZATIONS, NONPROFIT HOSPITALS, 23CREDITS INSTITUTIONS OF HIGHER EDUCATION, FEDERALLY QUALIFIED HEALTH CENTERS, 2425LOCAL GOVERNMENT AGENCIES, HEALTH CARE PRACTITIONERS, AND COMMUNITY 26HEALTH WORKERS TO FACILITATE REDUCTION OF HEALTH DISPARITIES, IMPROVE HEALTH OUTCOMES, PROVIDE DRUG TREATMENT AND REHABILITATION, AND 27REDUCE HEALTH COSTS AND HOSPITAL ADMISSIONS AND READMISSIONS IN 2829SPECIFIC AREAS OF THE STATE; AND

30(2)PROVIDE FUNDING TO THE DEPARTMENTTO SUPPLEMENT AND31NOT SUPPLANT EXISTING FUNDING FOR BEHAVIORAL HEALTH PROGRAMS THAT32PROVIDE PREVENTION, RECOVERY SUPPORT, AND HARM REDUCTION SERVICES FOR33INDIVIDUALS WITH SUBSTANCE USE AND MENTAL HEALTH DISORDERS.

34 (C) THE <u>Secretary</u> <u>Commission</u> shall administer the Fund.

$rac{1}{2}$	(D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.
4	SUBJECT TO § 7-302 OF THE STATE FINANCE AND I ROCUREMENT ARTICLE.
3	(2) ANY UNSPENT PORTION OF THE FUND MAY NOT BE TRANSFERRED
4	OR REVERT TO THE GENERAL FUND BUT SHALL REMAIN IN THE FUND TO BE USED
5	FOR THE PURPOSES SPECIFIED IN THIS SUBTITLE.
6	(3) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,
7	AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.
_	
8	(E) THE FUND CONSISTS OF:
9	(1) 10% of the income generated from alcoholic beverage
10	TAX REVENUE UNDER § 11–104(G) OF THE TAX – GENERAL ARTICLE;
11	(2) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND IN
12	ACCORDANCE WITH § 31–107 OF THE INSURANCE ARTICLE;
13	(3) (2) INTEREST EARNINGS OF THE FUND; AND
14	(4) (3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED
15	FOR THE BENEFIT OF THE FUND.
16	(F) THE FUND ANNUALLY SHALL PROVIDE MONEY TO THE DEPARTMENT TO
17	SUPPLEMENT AND NOT SUPPLANT EXISTING FUNDING FOR BEHAVIORAL HEALTH
18	PROGRAMS THAT PROVIDE PREVENTION, RECOVERY SUPPORT, AND HARM
19	REDUCTION SERVICES FOR INDIVIDUALS WITH SUBSTANCE USE AND MENTAL
20	HEALTH DISORDERS IN THE FOLLOWING AMOUNTS:
21	(1) \$1,000,000 FOR FISCAL YEAR 2022; AND
22	(2) \$2,000,000 FOR EACH FISCAL YEAR THEREAFTER.
23	(G) EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION, THE THE
24	FUND MAY BE USED ONLY TO PROVIDE FUNDING TO THE SECRETARY COMMISSION
25	FOR THE SUPPORT OF AREAS DESIGNATED AS HEALTH EQUITY RESOURCE
26	COMMUNITIES BY PROVIDING GRANTS OR TAX CREDITS TO COMMUNITY-BASED
27	ORGANIZATIONS, NONPROFIT HOSPITALS, INSTITUTIONS OF HIGHER EDUCATION,
28	LOCAL GOVERNMENT AGENCIES, HEALTH CARE PRACTITIONERS, FEDERALLY
29	QUALIFIED HEALTH CENTERS, COMMUNITY HEALTH WORKERS, AND INSTITUTIONS
30	OF HIGHER EDUCATION TO REDUCE HEALTH DISPARITIES, IMPROVE HEALTH
31	OUTCOMES, PROVIDE ADDICTION AND MENTAL HEALTH SERVICES, AND REDUCE

32 HEALTH COSTS AND HOSPITAL ADMISSIONS AND READMISSIONS.

1 (H) (G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE 2 FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

3 (2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO 4 THE FUND.

5 (H) (H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN 6 ACCORDANCE WITH THE STATE BUDGET.

7 (J) (I) MONEY EXPENDED FROM THE FUND TO SUPPORT AREAS 8 DESIGNATED BY THE SECRETARY COMMISSION AS HEALTH EQUITY RESOURCE 9 COMMUNITIES UNDER THIS SUBTITLE IS SUPPLEMENTAL TO AND IS NOT INTENDED 10 TO SUPPLANT FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR THOSE 11 PURPOSES.

12 **20–1408.**

13 (A) (1) ON OR BEFORE SEPTEMBER 15 EACH YEAR, EACH EACH 14 NONPROFIT COMMUNITY-BASED ORGANIZATION, NONPROFIT HOSPITAL, INSTITUTION OF HIGHER EDUCATION, FEDERALLY QUALIFIED HEALTH CENTER, OR 15LOCAL GOVERNMENT AGENCY THAT HAS SUBMITTED A SUCCESSFUL APPLICATION 16 FOR DESIGNATION OF AN AREA AS A HEALTH EQUITY RESOURCE COMMUNITY 17UNDER § 20-1403 OF THIS SUBTITLE SHALL SUBMIT TO THE SECRETARY 18 **COMMISSION A REPORT THAT INCLUDES:** 19

20 (I) A DESCRIPTION OF PROGRESS MADE TOWARD THE 21 OBJECTIVES SET FORTH IN THE APPLICATION; AND

22 (II) A DESCRIPTION OF OBJECTIVES TO BE MET DURING THE 23 IMMEDIATELY FOLLOWING YEAR; AND

24(III)ANY OTHER INFORMATION AS REQUESTED BY THE25COMMISSION.

26(2)THE REPORTING REQUIRED UNDER PARAGRAPH (1) OF THIS27SUBSECTION SHALL BE SUBMITTED PERIODICALLY IN ACCORDANCE WITH A28SCHEDULE DETERMINED BY THE COMMISSION.

29COMMISSION (2) (3) THE Secretary MAY REVOKE Α 30 DESIGNATION OF AN AREA AS A HEALTH EQUITY RESOURCE COMMUNITY IF THE COMMUNITY-BASED ORGANIZATION, NONPROFIT 31 NONPROFIT HOSPITAL, 32INSTITUTION OF HIGHER EDUCATION, FEDERALLY QUALIFIED HEALTH CENTER, OR 33 LOCAL GOVERNMENT AGENCY THAT HAS SUBMITTED A SUCCESSFUL APPLICATION FOR DESIGNATION OF AN AREA AS A HEALTH EQUITY RESOURCE COMMUNITY FAILS 34

1 TO MEET THE OBJECTIVES PROVIDED TO THE <u>Secretary</u> <u>Commission</u> under 2 SUBSECTION (A)(1) OF THIS SECTION FOR A GIVEN YEAR.

3 (B) (1) ON OR BEFORE DECEMBER 15 EACH YEAR, THE SECRETARY
4 <u>COMMISSION</u> SHALL SUBMIT TO THE GOVERNOR AND, IN ACCORDANCE WITH §
5 2–1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY A REPORT
6 THAT INCLUDES:

7 (I) THE NUMBER AND TYPES OF INCENTIVES GRANTED IN EACH
 8 HEALTH EQUITY RESOURCE COMMUNITY;

9 (II) EVIDENCE OF THE IMPACT OF THE TAX AND LOAN 10 REPAYMENT INCENTIVES IN ATTRACTING HEALTH CARE PRACTITIONERS AND 11 COMMUNITY HEALTH WORKERS TO HEALTH EQUITY RESOURCE COMMUNITIES;

12 (III) EVIDENCE OF THE IMPACT OF THE INCENTIVES OFFERED IN 13 HEALTH EQUITY RESOURCE COMMUNITIES IN REDUCING HEALTH DISPARITIES 14 AND IMPROVING HEALTH OUTCOMES; AND

15 (IV) EVIDENCE OF THE PROGRESS IN REDUCING HEALTH COSTS 16 AND HOSPITAL ADMISSIONS AND READMISSIONS IN HEALTH EQUITY RESOURCE 17 COMMUNITIES.

18(2)THE REPORT DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION19SHALL INCLUDE DATA DISAGGREGATED BY THE FOLLOWING:

- 20 (I) RACE;
- 21 (II) **ETHNICITY**;
- 22 (III) **PRIMARY LANGUAGE**;
- 23 (IV) GENDER;
- 24 (V) SOCIOECONOMIC STATUS; AND
- 25 (VI) ZIP CODE.

<u> Article – Insurance</u>
Alticle – Insulance

 $27 \quad \underline{31-107.}$

26

- 28 (a) <u>There is a Maryland Health Benefit Exchange Fund.</u>
- 29 (b) (1) The purpose of the Fund is to:

$\frac{1}{2}$	(i) provide funding for the operation and administration of the Exchange in carrying out the purposes of the Exchange under this subtitle; [and]
$\frac{3}{4}$	(ii) provide funding for the establishment and operation of the State Reinsurance Program authorized under this subtitle; AND
5 6 7	(III) PROVIDE FUNDING FOR THE ESTABLISHMENT AND OPERATION OF HEALTH EQUITY RESOURCE COMMUNITIES UNDER TITLE 20, SUBTITLE 14 OF THE HEALTH – GENERAL ARTICLE.
$8\\9\\10$	(2) <u>The operation and administration of the Exchange and the State</u> <u>Reinsurance Program may include functions delegated by the Exchange to a third party</u> <u>under law or by contract.</u>
11	(f) (1) The Fund may be used only:
12 13	[(1)] (I) for the operation and administration of the Exchange in carrying out the purposes authorized under this subtitle; [and]
$\begin{array}{c} 14 \\ 15 \end{array}$	[(2)] (II) for the establishment and operation of the State Reinsurance Program; AND
16 17 18	(III) FOR APPROPRIATIONS TO THE HEALTH EQUITY RESOURCE Community Reserve Fund under § 20–1407 of the Health – General Article.
19 20	(2) IN EACH OF FISCAL YEARS 2023 THROUGH 2025, THE GOVERNOR SHALL:
$\begin{array}{c} 21 \\ 22 \end{array}$	(I) TRANSFER \$15,000,000 TO THE HEALTH EQUITY Resource Community Reserve Fund; and
23 24 25 26	(II) INCLUDE THE FUNDS TRANSFERRED IN ACCORDANCE WITH ITEM (I) OF THIS PARAGRAPH IN THE ANNUAL BUDGET BILL AS AN APPROPRIATION TO THE HEALTH EQUITY RESOURCE COMMUNITY RESERVE FUND UNDER § 20–1407 OF THE HEALTH – GENERAL ARTICLE.
27	Article – State Finance and Procurement
28	6–226.
29	(a) (2) (i) Notwithstanding any other provision of law and unless

(a) (2) (i) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the

$egin{array}{c} 1 \\ 2 \\ 3 \end{array}$	State Treasurer under this section to special funds or accounts, and otherwise entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State.
45	(ii) The provisions of subparagraph (i) of this paragraph do not apply to the following funds:
6 7	122. the Racing and Community Development Financing Fund; [and]
8 9	123. the Racing and Community Development Facilities Fund; AND
10 11	124. THE HEALTH EQUITY RESOURCE COMMUNITY RESERVE FUND.
12	Article – Tax – General
13	10-731.
$\begin{array}{c} 14 \\ 15 \end{array}$	(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.
16	(2) "Community-based organization" means a public or
17	PRIVATE ORGANIZATION THAT IS REPRESENTATIVE OF A COMMUNITY OR
18	SIGNIFICANT SEGMENTS OF A COMMUNITY AND PROVIDES EDUCATIONAL, HEALTH,
19	OR SOCIAL SERVICES TO INDIVIDUALS IN THE COMMUNITY.
20	(3) "Community health worker" has the meaning stated in §
21	13-3701 of the Health - General Article.
22	(4) "Department" means the Maryland Department of
23	HEALTH.
24	(5) "Fund" means the Health Equity Resource Community
25	RESERVE FUND ESTABLISHED UNDER § 20-1407 OF THE HEALTH - GENERAL
26	ARTICLE.
27	(6) "Health care practitioner" has the meaning stated in §
28	20–1401 OF THE HEALTH – GENERAL ARTICLE.
20	
29 30	(7) "Health Equity Resource Community" has the meaning stated in § 20-1401 of the Health – General Article.
90	STATED IN X 20-TIVI OF THE HEALTH - GENERAL ARTICLE.

	26 SENATE BILL 172
$\frac{1}{2}$	(8) "Institution of higher education" has the meaning stated in § 19–101 of the Education Article.
$3 \\ 4 \\ 5 \\ 6$	(9) "Qualified employee" means a health care practitioner, a community health worker, an individual designated as an evaluator under § 20-1405 of the Health – General Article, or any other individual who:
7 8	(I) PROVIDES DIRECT SUPPORT TO A HEALTH CARE PRACTITIONER OR A COMMUNITY HEALTH WORKER; AND
9 10	(II) EXPANDS ACCESS TO SERVICES IN A HEALTH EQUITY Resource Community.
$\begin{array}{c} 11 \\ 12 \end{array}$	(10) (1) "Qualified position" means a qualified employee position that:
$\begin{array}{c} 13\\14 \end{array}$	1. PAYS AT LEAST 150% OF THE FEDERAL MINIMUM WAGE;
15	2. IS FULL-TIME AND OF INDEFINITE DURATION;
$\begin{array}{c} 16 \\ 17 \end{array}$	3. I S LOCATED IN A HEALTH EQUITY RESOURCE Community;
18 19 20	4. IS NEWLY CREATED AS A RESULT OF THE ESTABLISHMENT OF, OR EXPANSION OF SERVICES IN, A HEALTH EQUITY RESOURCE Community; and
21	5. IS FILLED.
$\begin{array}{c} 22\\ 23 \end{array}$	(II) "QUALIFIED POSITION" DOES NOT INCLUDE A POSITION THAT IS FILLED FOR A PERIOD OF LESS THAN 12 MONTHS.
24	(11) "Secretary" means the Secretary of Health.
25 26 27 28 29 30 31	(B) A HEALTH CARE PRACTITIONER OR A COMMUNITY HEALTH WORKER WHO PRACTICES HEALTH CARE IN A HEALTH EQUITY RESOURCE COMMUNITY DESIGNATED UNDER TITLE 20, SUBTITLE 14 OF THE HEALTH – GENERAL ARTICLE MAY SUBMIT TO THE SECRETARY A REQUEST FOR CERTIFICATION OF ELICIBILITY FOR INCOME TAX CREDITS ESTABLISHED UNDER SUBSECTION (D) OF THIS SECTION IN ACCORDANCE WITH AN APPROVED APPLICATION FOR DESIGNATION OF AN AREA AS A HEALTH EQUITY RESOURCE COMMUNITY IF THE INDIVIDUAL:

DEMONSTRATES COMPETENCY IN CULTURAL, LINGUISTIC, AND 1 (1) $\mathbf{2}$ HEALTH LITERACY IN A MANNER DETERMINED BY THE SECRETARY: 3 (2) ACCEPTS AND PROVIDES CARE FOR PATIENTS ENROLLED IN THE **MARYLAND MEDICAL ASSISTANCE PROGRAM AND FOR UNINSURED PATIENTS:** 4 $\mathbf{5}$ UNDERGOES TRAINING IN ANTIRACISM AND CULTURAL (3) **COMPETENCE THROUGH A PROGRAM APPROVED BY THE SECRETARY; AND** 6 7 (4) MEETS ANY OTHER CRITERIA ESTABLISHED BY THE SECRETARY. 8 (C) A NONPROFIT COMMUNITY-BASED ORGANIZATION, A NONPROFIT 9 HOSPITAL. AN INSTITUTION OF HIGHER EDUCATION. OR A LOCAL GOVERNMENT AGENCY THAT SUBMITS AN APPLICATION TO THE SECRETARY TO ESTABLISH A 10 HEALTH EQUITY RESOURCE COMMUNITY MAY SUBMIT TO THE SECRETARY A 11 12 REQUEST FOR CERTIFICATION OF ELIGIBILITY FOR INCOME TAX CREDITS 13 ESTABLISHED UNDER SUBSECTION (D) OF THIS SECTION IN ACCORDANCE WITH THE APPLICATION FOR DESIGNATION OF AN AREA AS A HEALTH EQUITY RESOURCE 14 COMMUNITY ON BEHALF OF A HEALTH CARE PRACTITIONER OR A COMMUNITY 1516 HEALTH WORKER WHO: IS PRACTICING OR SEEKING TO PRACTICE IN A HEALTH EQUITY 17(1) 18 **Resource Community: AND** 19 (2) SATISFIES THE REQUIREMENTS OF SUBSECTION (B) OF THIS 20 SECTION. 21 (⊕) (1) IF THE SECRETARY APPROVES A REQUEST FOR CERTIFICATION 22SUBMITTED UNDER SUBSECTION (B) OR (C) OF THIS SECTION. A HEALTH CARE

PRACTITIONER OR A COMMUNITY HEALTH WORKER MAY CLAIM A CREDIT AGAINST
 THE STATE INCOME TAX IN AN AMOUNT EQUAL TO 100% OF THE AMOUNT OF THE
 STATE INCOME TAX EXPECTED TO BE DUE FROM THE HEALTH CARE PRACTITIONER
 OR COMMUNITY HEALTH WORKER FROM INCOME DERIVED FROM PRACTICE IN THE
 HEALTH EQUITY RESOURCE COMMUNITY, AS CERTIFIED BY THE SECRETARY FOR
 THE TAXABLE YEAR.

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

 1
 To be eligible for the credit provided under this

 2
 PARAGRAPH, A HEALTH CARE PRACTITIONER OR A COMMUNITY-BASED

 3
 ORGANIZATION MAY CREATE ONE OR MORE QUALIFIED POSITIONS DURING ANY

 4
 24-MONTH PERIOD.

5 (III) THE CREDIT EARNED UNDER THIS PARAGRAPH SHALL BE 6 TAKEN OVER A 24-MONTH PERIOD, WITH 50% OF THE CREDIT AMOUNT ALLOWED 7 EACH YEAR BEGINNING WITH THE FIRST TAXABLE YEAR IN WHICH THE CREDIT IS 8 CERTIFIED.

9 (IV) IF THE QUALIFIED POSITION IS FILLED FOR A PERIOD OF 10 LESS THAN 24 MONTHS, THE CREDIT SHALL BE RECAPTURED AS FOLLOWS:

 11
 1.
 THE CREDIT SHALL BE RECOMPUTED AND REDUCED

 12
 ON A PRORATED BASIS, BASED ON THE PERIOD OF TIME THE POSITION WAS FILLED,

 13
 AS DETERMINED BY THE DEPARTMENT AND REPORTED TO THE COMPTROLLER; AND

 14
 2.

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 CARE

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 15
 COMMUNITY-BASED ORGANIZATION WHICH RECEIVED THE CREDIT SHALL REPAY
 16
 ANY AMOUNT OF THE CREDIT THAT MAY HAVE ALREADY BEEN REFUNDED TO THE

 16
 HEALTH CARE PRACTITIONER OR COMMUNITY-BASED ORGANIZATION THAT

 17
 HEALTH CARE PRACTITIONER OR COMMUNITY-BASED ORGANIZATION THAT

 18
 EXCEEDS THE AMOUNT RECOMPUTED BY THE SECRETARY IN ACCORDANCE WITH

19 ITEM 1 OF THIS SUBPARAGRAPH.

20 (3) To be certified as eligible for the credits established
 21 UNDER THIS SUBSECTION, A HEALTH CARE PRACTITIONER, COMMUNITY HEALTH
 22 WORKER, OR COMMUNITY-BASED ORGANIZATION MAY APPLY FOR CERTIFICATION
 23 THROUGH THE NONPROFIT COMMUNITY-BASED ORGANIZATION, NONPROFIT
 24 HOSPITAL, INSTITUTION OF HIGHER EDUCATION, OR LOCAL GOVERNMENT THAT
 25 RECEIVES APPROVAL FROM THE SECRETARY TO ESTABLISH A HEALTH EQUITY
 26 RESOURCE COMMUNITY.

27 (4) (1) ELIGIBILITY FOR THE CREDITS PROVIDED UNDER THIS 28 SUBSECTION IS LIMITED BY AVAILABILITY OF BUDGETED FUNDS FOR THAT 29 PURPOSE, AS DETERMINED BY THE SECRETARY.

30 (II) CERTIFICATES OF ELIGIBILITY SHALL BE SUBJECT TO
 31 APPROVAL BY THE SECRETARY ON A FIRST-COME, FIRST-SERVED BASIS, AS
 32 DETERMINED BY THE SECRETARY IN THE SECRETARY'S SOLE DISCRETION.

 33
 (E)
 The Secretary shall certify to the Comptroller the

 34
 Applicability of the credits provided under this section for each

 35
 Health care practitioner, community health worker, or

 36
 Community based organization and the amount of each credit assigned

1	TO A HEALTH CARE PRACTITIONER, COMMUNITY HEALTH WORKER, OR
2	COMMUNITY-BASED ORGANIZATION, FOR EACH TAXABLE YEAR.
3	(F) THE CREDITS ALLOWED UNDER THIS SECTION FOR A FISCAL YEAR MAY
4	NOT EXCEED THE AMOUNT PROVIDED FOR IN THE STATE BUDGET FOR THAT FISCAL
5	YEAR.
6	(G) THE SECRETARY, IN CONSULTATION WITH THE COMPTROLLER, SHALL
$\overline{7}$	ADOPT REGULATIONS TO IMPLEMENT THE TAX CREDIT UNDER THIS SECTION.
8	$\frac{11-104}{11-104}$
0	(-) (1) (1) IN THE CURRENT ON THE FOLLOWING WORDS HAVE THE
9	(g) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE
10	MEANINGS INDICATED.
11	(II) "Alcoholic beverage" has the meaning stated in §
11	1–101 OF THE ALCOHOLIC BEVERAGES ARTICLE.
12	I-IVI OF THE ALCOHOLIC DEVERAGES ARTICLE.
13	(III) "OFF-sale retailers" means retail sellers and
13	OTHER ENTITIES HOLDING A STATE OR LOCAL LICENSE TO SELL PACKAGED
15	ALCOHOLIC BEVERAGES FOR OFF-SITE CONSUMPTION.
16	(iv) "On-sale retailers" means restaurants, bars,
17	BREWERIES, WINERIES, DISTILLERIES, AND OTHER ENTITIES HOLDING A STATE OR
18	LOCAL LICENSE TO MANUFACTURE OR SELL ALCOHOLIC BEVERAGES:
10	LOCAL LICENSE IO MANUFACIURE OR SELL ALCOHOLIC DEVERAGES.
19	1. FOR CONSUMPTION ON SITE; OR
10	1. FOR CONSEMPTION ON STILL, ON
20	2. TO SELL ALCOHOLIC BEVERAGES ON SITE AS
21	
- +	
22	(2) The sales and use tax rate for the sale of an alcoholic beverage [, as
23	defined in § 5–101 of this article, is:
24	(1) 9% of the charge for the alcoholic beverage; and
25	(I) 1. FOR SALES OF ALCOHOLIC BEVERAGES BY OFF-SALE
26	RETAILERS AFTER OCTOBER 1, 2021, 10% OF THE CHARGE FOR THE ALCOHOLIC
27	BEVERAGE;
28	2. FOR SALES OF ALCOHOLIC BEVERAGES BY ON-SALE
29	RETAILERS BETWEEN OCTOBER 1, 2021, AND SEPTEMBER 30, 2023, INCLUSIVE, 9%
30	OF THE CHARGE FOR THE ALCOHOLIC BEVERAGE; AND

1	3. FOR SALES OF ALCOHOLIC BEVERAGES BY ON-SALE
2	RETAILERS AFTER OCTOBER 1, 2023, 10% OF THE CHARGE FOR THE ALCOHOLIC
3	BEVERAGE; AND
4	[(2)] (II) 6% of a charge that is made in connection with the sale of an
5	alcoholic beverage and is stated as a separate item of the consideration and made known
6	to the buyer at the time of sale for:
7	(i) 1. any labor or service rendered;
8	[(ii)] 2. any material used; or
9	[(iii)] 3. any property sold.
10	(3) 10% OF THE REVENUES GENERATED UNDER THIS SUBSECTION
11	SHALL BE CREDITED TO THE HEALTH EQUITY RESOURCE COMMUNITY RESERVE
12	Fund established under § 20-1407 of the Health - General Article.
13	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14	October 1, 2021.
15	SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency
16	measure, is necessary for the immediate preservation of the public health or safety, has
17	been passed by a yea and nay vote supported by three-fifths of all the members elected to
18	each of the two Houses of the General Assembly, and shall take effect from the date it is
19	enacted. Section 1 of this Act shall remain effective through June 30, 2023, and, at the end

of June 30, 2023, Section 1 of this Act, with no further action required by the General
 Assembly, shall be abrogated and of no further force and effect.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.