

SENATE BILL 896

C8

5lr3067

By: **Senators Jennings, Astle, Cassilly, Peters, and Waugh**

Introduced and read first time: March 4, 2015

Assigned to: Rules

A BILL ENTITLED

AN ACT concerning

Military Personnel and Veteran–Owned Small Business No–Interest Loan Program and Fund

FOR the purpose of establishing the Military Personnel and Veteran–Owned Small Business No–Interest Loan Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Secretary of Business and Economic Development to administer the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents of the Fund; specifying the purpose for which the Fund may be used; defining a certain term; and generally relating to the Military Personnel and Veteran–Owned Small Business No–Interest Loan Program and Fund.

BY repealing and reenacting, with amendments,

Article – Economic Development

Section 5–1001 and 5–1006

Annotated Code of Maryland

(2008 Volume and 2014 Supplement)

BY repealing and reenacting, without amendments,

Article – Economic Development

Section 5–1002 through 5–1005

Annotated Code of Maryland

(2008 Volume and 2014 Supplement)

BY adding to

Article – Economic Development

Section 5–1006

Annotated Code of Maryland

(2008 Volume and 2014 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

Article – Economic Development

5–1001.

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

(B) “FUND” MEANS THE MILITARY PERSONNEL AND VETERAN–OWNED SMALL BUSINESS NO–INTEREST LOAN FUND ESTABLISHED UNDER § 5–1006 OF THIS SUBTITLE.

[(b)] (C) “Service–disabled veteran” means a veteran with a disability that is service–connected, as defined in 38 U.S.C. § 101(16).

[(c)] (D) (1) “Small business employer” means an employer who employed an average of 50 or fewer employees on business days during the calendar year preceding the determination of eligibility for a loan under this subtitle.

(2) For purposes of paragraph (1) of this subsection, all persons treated as a single employer under § 414(b), (c), (m), or (o) of the Internal Revenue Code shall be treated as a single employer under this subtitle.

[(d)] (E) “Veteran–owned small business” means a small business that is at least 51% owned by a veteran as defined in 38 U.S.C. § 101(2).

5–1002.

Subject to the availability of funds, the Department, in consultation with the Department of Veterans Affairs, shall establish a program to provide no–interest loans under this subtitle to:

(1) small business employers of military reservists and National Guard personnel who are called to active duty;

(2) businesses owned by military reservists and National Guard personnel who are called to active duty;

(3) veteran–owned small businesses; and

(4) businesses employing a service–disabled veteran.

5–1003.

Loans shall be made under this subtitle for the purposes of:

(1) providing financial support to:

(i) a business owned by a military reservist or National Guard member who is called to active duty; or

(ii) a small business employer of a military reservist or National Guard member who is called to active duty;

(2) making the home, motor vehicle, or place of employment of a veteran accessible to individuals with disabilities, including purchasing equipment necessary to enable a business to employ a service-disabled veteran or to enable a service-disabled veteran to operate a business; and

(3) defraying other necessary expenses, as determined by the Department of Veterans Affairs, incurred by:

(i) a business employing a service-disabled veteran; or

(ii) a veteran-owned small business.

5-1004.

(a) A loan made under this subtitle for the purpose of providing financial support to a business owned by an individual who is called to active duty or to a small business employer of an individual who is called to active duty:

(1) may be made at any time from the individual's receipt of orders to report to 6 months after the end of the individual's active duty; and

(2) shall be subject to criteria for eligibility and priority established by the Department of Veterans Affairs, including the extent to which the individual who is called to active duty is an essential employee of the business.

(b) A loan made under this subtitle for the purpose of making accessible to individuals with disabilities the home, motor vehicle, or place of employment of a service-disabled veteran may be made at any time.

5-1005.

(a) The Department shall administer the loan program authorized under this subtitle.

(b) The Department of Veterans Affairs shall establish eligibility criteria for loans under this subtitle.

5-1006.

(A) THERE IS A MILITARY PERSONNEL AND VETERAN-OWNED SMALL BUSINESS NO-INTEREST LOAN FUND.

(B) THE PURPOSE OF THE FUND IS TO PROVIDE NO-INTEREST LOANS CONSISTENT WITH THIS SUBTITLE.

(C) THE SECRETARY SHALL ADMINISTER THE FUND.

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

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

(3) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.

(E) THE FUND CONSISTS OF:

(1) MONEY THE STATE APPROPRIATES TO THE FUND;

(2) MONEY MADE AVAILABLE TO THE FUND THROUGH FEDERAL PROGRAMS OR PRIVATE CONTRIBUTIONS;

(3) REPAYMENTS FROM LOANS PROVIDED BY THE DEPARTMENT UNDER THIS SUBTITLE;

(4) PROCEEDS FROM THE SALE, DISPOSITION, LEASE, OR RENTAL OF COLLATERAL RELATED TO LOANS PROVIDED BY THE DEPARTMENT UNDER THIS SUBTITLE; AND

(5) ANY OTHER MONEY MADE AVAILABLE TO THE FUND.

(F) THE DEPARTMENT MAY USE MONEY IN THE FUND TO PROVIDE LOANS TO ELIGIBLE APPLICANTS UNDER §§ 5-1002 THROUGH 5-1004 OF THIS SUBTITLE.

[5-1006.] 5-1007.

(a) The Department shall adopt regulations to carry out this subtitle.

(b) The Department of Veterans Affairs may adopt regulations concerning eligibility criteria for loans under this subtitle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2015.