

# SENATE BILL 365

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By: **Senator McCray**

Introduced and read first time: January 15, 2021

Assigned to: Education, Health, and Environmental Affairs

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Committee Report: Favorable

Senate action: Adopted

Read second time: February 24, 2021

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Neighborhood Business Development Program – Food Desert Projects –**  
3 **Business Retention**

4 FOR the purpose of expanding the purposes of the Neighborhood Business Development  
5 Program to include retaining certain businesses and enterprises in food deserts and  
6 certain areas that serve food deserts; increasing the maximum amount of a certain  
7 small loan that may be provided to an approved entity for assistance in providing or  
8 maintaining access to healthy food in certain food deserts; authorizing the  
9 Department of Housing and Community Development to provide certain loans to an  
10 approved entity for certain operating costs; requiring the Department to forgive a  
11 certain loan after a certain number of years under certain circumstances; specifying  
12 that certain food desert projects may serve urban or rural food deserts; altering a  
13 certain definition; and generally relating to the Neighborhood Business Development  
14 Program and food desert projects.

15 BY repealing and reenacting, without amendments,  
16 Article – Housing and Community Development  
17 Section 6–301(a) and (d)  
18 Annotated Code of Maryland  
19 (2019 Replacement Volume and 2020 Supplement)

20 BY repealing and reenacting, with amendments,  
21 Article – Housing and Community Development  
22 Section 6–301(i), 6–303, and 6–308.3  
23 Annotated Code of Maryland

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### 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.



(2019 Replacement Volume and 2020 Supplement)

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

**Article – Housing and Community Development**

6–301.

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

(d) “Food desert” means the part of a priority funding area or an eligible opportunity zone designated by the Secretary under § 6–308(c) of this subtitle.

(i) (1) “Project” means a neighborhood business development project that receives financial assistance from the Fund.

(2) “Project” includes:

(I) a microenterprise project that receives financial assistance from the Fund; AND

(II) A FOOD DESERT PROJECT THAT RECEIVES FINANCIAL ASSISTANCE FROM THE FUND.

6–303.

(a) There is a Neighborhood Business Development Program.

(b) The purposes of the Program are:

(1) in priority funding areas or eligible opportunity zones, to:

(i) help develop, redevelop, or expand small businesses and microenterprises;

(ii) stimulate investment by the private sector;

(iii) invest in revitalization projects for small businesses and microenterprises; and

(iv) stimulate political subdivisions to participate in developing and expanding small businesses and microenterprises; and

(2) in food deserts or parts of priority funding areas or eligible opportunity zones that serve food deserts, to help create AND RETAIN small businesses and other

1 food-related enterprises that provide fresh fruits, vegetables, and other healthy foods to  
2 residents in the food desert.

3 (c) The Program includes:

4 (1) the Business Development Program; and

5 (2) the Capital Access Program.

6 6-308.3.

7 (a) If the Department determines that an entity is capable of administering a food  
8 desert project, the entity may originate and administer financial assistance to a food desert  
9 project in accordance with standards the Department adopts by regulation.

10 (b) The Department may:

11 (1) pay an approved entity a reasonable origination, application, and  
12 processing fee for each food desert project that is originated by the approved entity;

13 (2) directly fund the financial assistance for a food desert project that is  
14 originated by an approved entity;

15 (3) provide financial assistance to an approved entity for the purpose of the  
16 approved entity providing financial assistance for a food desert project in accordance with  
17 this subtitle; and

18 (4) (i) provide small loans in amounts that are not more than ~~[\$50,000]~~  
19 **\$100,000** per loan to an approved entity for assistance in providing ~~[better]~~ **OR**  
20 **MAINTAINING** access to healthy food in **URBAN OR RURAL** food deserts, including by  
21 providing loans for:

22 1. refrigerators, freezers, and other equipment; and

23 2. **SUBJECT TO SUBSECTION (C) OF THIS SECTION,**  
24 **OPERATING COSTS INCURRED IN PROVIDING ACCESS TO HEALTHY FOOD IN URBAN**  
25 **OR RURAL FOOD DESERTS; AND**

26 (ii) work with intermediaries to administer the small loans  
27 authorized under item (i) of this paragraph.

28 **(C) THE DEPARTMENT SHALL FORGIVE A LOAN FOR OPERATING COSTS**  
29 **MADE UNDER SUBSECTION (B)(4)(i)2 OF THIS SECTION AFTER 5 YEARS, IF THE LOAN**  
30 **RECIPIENT MAINTAINS CONTINUOUS OPERATIONS AT THE SAME LOCATION DURING**  
31 **THAT TIME.**

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
2 1, 2021.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.