

**Meridian Management Group, Inc.**  
**Testimony In Support of H.B. 26 with an Amendment**

*January 17, 2024*

Good afternoon, Madam Chair and distinguished members of the Ways and Means Committee. Thank you for taking time to hear my testimony in support of H.B. 26 with an amendment. My name is Stanley Tucker, President of Meridian Management Group, Inc. (“MMG”). MMG is the manager of the Maryland Casino Business Investment Fund (“MCBIF”), one of nine (9) fund managers for the Small, Minority and Women-Owned Business Account (“SMWOBA”) in the Department of Commerce. In addition, MMG manages the Maryland Small Business Development Financing Authority (“MSBDF”) for the Department of Commerce. In total, our professional staff has over 150 years of experience providing financing and specialized training to small, minority and women-owned businesses in the State of Maryland.

There are two parts to H.B 26 that are of interest to MMG.

MMG’s first point of interest is the section of the bill that allows fund managers to provide financial assistance in the form of grants of up to \$10,000, to support small, minority and women-owned businesses that receive loans from any one of the fund managers. MMG is in support of this provision, believing that it will assist in providing much needed working capital to the recipients of loans.

MMG’s second point of interest is the fact that the current statute allows for each fund manager to provide investment/equity capital and loans to small, minority, and women owned businesses headquartered in the state of Maryland. Our concern is that H.B. 26 eliminates the capability of fund managers to provide equity investments to these businesses.

Specifically, the term “investment capital and loans” is replaced by the term “financial assistance.” Financial assistance is defined as “a loan or a grant.” We see this as being problematic because it eliminates an existing source of equity capital for small, minority and women-owned businesses in Maryland.

Investment capital provided to black-owned businesses alone in this country is less than 2%. It is hard to comprehend why the legislature would consider taking away the flexibility of these funds to provide relatively small amounts of investment and equity capital which is greatly needed by these businesses. To eliminate the **existing** capability to provide investment/equity type of patient capital to these businesses would weaken the state's commitment to these businesses.

MMG does not support the elimination of the capability to provide equity investments through the SMWOBA and supports the removal of this provision from the bill.