
By: Chairman, Finance Committee (Departmental - Housing and Community Dev.)

Introduced and read first time: January 27, 1997

Rule 32(e) suspended

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 25, 1997

CHAPTER ____

1 AN ACT concerning

2 **Department of Housing and Community Development - Neighborhood Business**
3 **Development Program**

4 FOR the purpose of altering the requirements for obtaining the local government's
5 expression of support for a Neighborhood Business Development Program; altering
6 a certain definition; and generally relating to the Neighborhood Business
7 Development Program and the Department of Housing and Community
8 Development.

9 BY repealing and reenacting, without amendments,
10 Article 83B - Department of Housing and Community Development
11 Section 4-202(a)
12 Annotated Code of Maryland
13 (1995 Replacement Volume and 1996 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article 83B - Department of Housing and Community Development
16 Section 4-202(i) and 4-204
17 Annotated Code of Maryland
18 (1995 Replacement Volume and 1996 Supplement)

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

2

1 **Article 83B - Department of Housing and Community Development**

2 4-202.

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

4 (i) "Small business" means a business that employs a number of employees OR
5 HAS GROSS REVENUES no greater than [a limit] LIMITS set forth in regulations by the
6 Department which shall not exceed the standards set by the federal Small Business
7 Administration.

8 4-204.

9 (a) Financial assistance under the Program may be provided to a small business in
10 any of the following forms:

11 (1) Grant;

12 (2) Loan;

13 (3) Reduction in the principal obligation of or rate of interest payable on a
14 loan or portion of a loan;

15 (4) Prepayment of interest on a subordinate or superior loan or portion of a
16 loan;

17 (5) Assurance;

18 (6) Guarantee; or

19 (7) Any other form of credit enhancement.

20 (b) The Department shall review all applications for financial assistance.

21 (c) Applications shall be submitted by an applicant which may be a for profit or
22 nonprofit small business.

23 (d) To qualify for financial assistance, the application must demonstrate that:

24 (1) The project has significant commitments for funding from other private
25 and nonstate public sources that are sufficient to complete the project with the funds
26 from the Neighborhood Business Development Program;

27 (2) The financial assistance from the Neighborhood Business Development
28 Fund is the least amount necessary to make the project financially feasible;

29 (3) The project is ready to proceed upon funding of financial assistance
30 from the Program; and

31 (4) The local jurisdiction adopted a local resolution, OR ITS AUTHORIZED
32 DESIGNEE DELIVERED A LETTER TO THE PROGRAM, expressing support for the
33 project ~~UNLESS THE LOCAL JURISDICTION WAIVED THE REQUIREMENT FOR A~~
34 ~~LOCAL RESOLUTION EXPRESSING SUPPORT FOR PROJECTS.~~

35 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
36 July 1, 1997.

