Unofficial Copy C8 1998 Regular Session 8lr6127

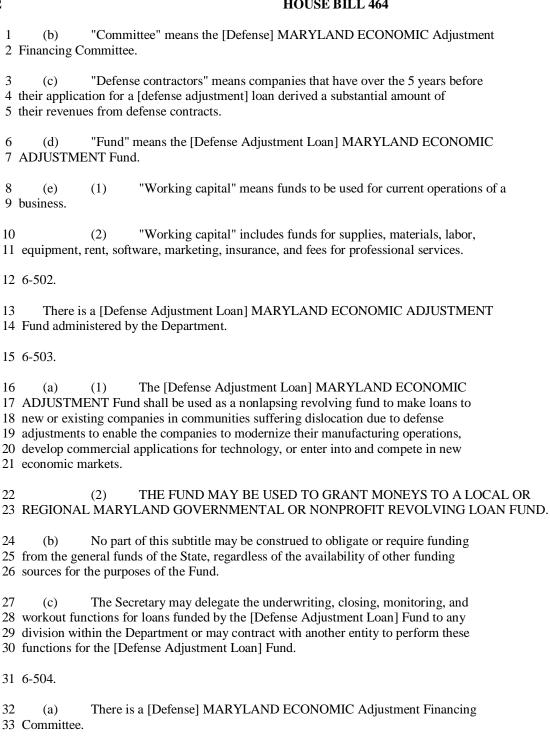
By: Chairman, Economic Matters Committee (Departmental - Dept.  Business & Economic Dev.)  Introduced and read first time: February 4, 1998  Assigned to: Economic Matters						
Committee Report: Favorable House action: Adopted Read second time: March 18, 1998						
	CHAPTER					
1 A	AN ACT concerning					
2	Maryland Economic Adjustment Fund					
4 5 6 7 8 F 9 10 11 12 13 14	FOR the purpose of changing the name of the Defense Adjustment Loan Fund to the Maryland Economic Adjustment Fund; authorizing the Fund to be used for grants for certain revolving loan funds; altering the maximum loan limit; permitting loan proceeds to be used for certain purposes; clarifying language; and generally relating to the Maryland Economic Adjustment Fund.  BY repealing and reenacting, with amendments, Article 83A - Department of Business and Economic Development Section 6-501 through 6-509, inclusive, to be under the amended subtitle "Subtitle 5. Maryland Economic Adjustment Fund" Annotated Code of Maryland (1995 Replacement Volume and 1997 Supplement)  SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:					
16	Article 83A - Department of Business and Economic Development					
17 18	Subtitle 5. [Defense Adjustment Loan] MARYLAND ECONOMIC ADJUSTMENT Fund.					
19	6-501.					
20	(a) In this subtitle the following words have the meanings indicated.					

34

(b)

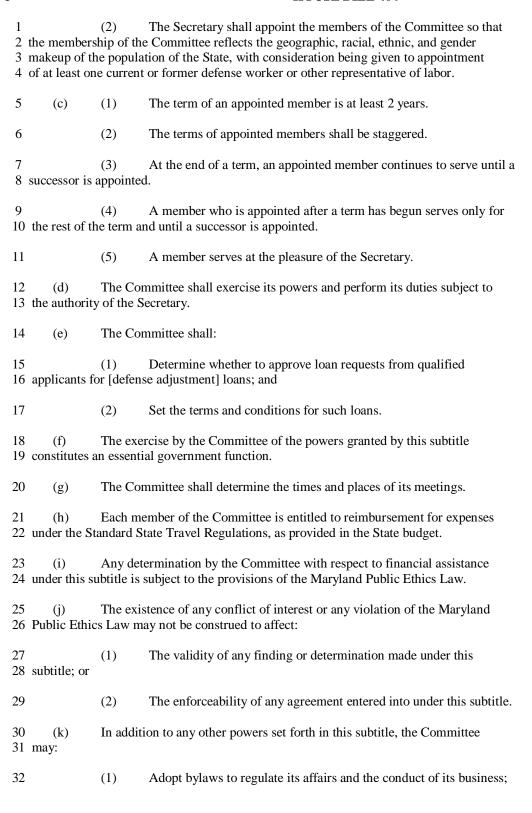
35 the Secretary.

(1)



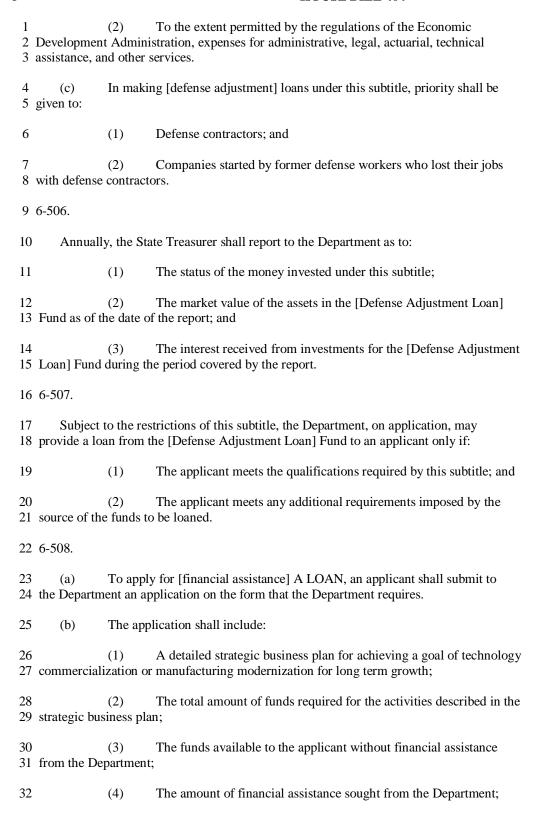
The Committee shall consist of at least seven members appointed by

## **HOUSE BILL 464**



## **HOUSE BILL 464**

1		(2)	Contract for and engage the services of consultants;
2 3	and	(3)	Elect a chairperson and vice chairperson from among its members;
4 5	purposes of t	(4) this subtit	Do anything necessary or convenient to carry out its powers and the tle.
6	6-505.		
		D ECON	eys received and designated for the [Defense Adjustment Loan] OMIC ADJUSTMENT Fund shall be placed in the [Defense nd and administered by the Department, including:
	Fund, includ		Federal funds allocated or granted to the [Defense Adjustment Loan] Economic Development Administration Defense Conversion Actuation grant funds designated for the Fund;
13 14	Loan] Fund	(2)	Private moneys donated or granted to the [Defense Adjustment
15 16	Fund;	(3)	Moneys appropriated by the State to the [Defense Adjustment Loan]
17 18	[defense adj	(4) [ustment]	Premiums, fees, interest payments, and principal payments on loans;
19 20		(5) nent, mak	Income from investments that the State Treasurer, on instruction of es for the Department under this subtitle;
21 22	relating to [	(6) defense a	Proceeds from the sale, disposition, lease, or rental of collateral djustment] loans;
25		nd in acc	Repayment of principal or interest on any [defense] MARYLAND nent loan financed by the Economic Development Opportunities ordance with § 7-314(f) of the State Finance and Procurement
27 28	Fund.	(8)	Any other moneys made available to the [Defense Adjustment Loan]
31 32 33 34	Adjustment GOVERNM FUNDS, and	ements au Loan] Fu IENTAL d [making ling, by w	fense Adjustment Loan] Fund shall be used to pay all expenses athorized by the Department for administering the [Defense and, MAKE GRANTS TO LOCAL OR REGIONAL MARYLAND OR NONPROFIT ECONOMIC DEVELOPMENT REVOLVING LOAN as [MAKE [defense adjustment] loans to eligible companies in this way of example:
35		(1)	Advances of loan proceeds for [defense adjustment] loans; and



## **HOUSE BILL 464**

	(5) Information concerning where in the State the activities to be financed with the [defense adjustment] loan will take place and what economic impact the activities are expected to have on that area;							
	(6) Evidence of the inability of the applicant to obtain the financing necessary for the activities described in the strategic business plan on affordable terms through normal lending channels;							
7 8	(7 including, if app		nformati	on that relates to the financial status of the applicant,				
9		(i)	) 1	A current balance sheet;				
10		(ii	i) <i>I</i>	A profit and loss statement; and				
11		(ii	ii) (	Credit references; and				
12	(8	3) A:	ny othe	r relevant information that the Department requests.				
13	6-509.							
14 15	(a) Except as provided in this subtitle, the Department may set the terms and conditions for [defense adjustment] loans AND GRANTS.							
16 17	(b) If the Department decides to lend money to an applicant, the Department shall prepare loan documents.							
18	(c) The loan documents shall include:							
19	(1	) Tl	he rate o	of interest on the loan;				
20	(2	2) Tl	he amou	ant of the loan;				
	repayment may schedule; and			s for repayment of the loan, provided that the provisions for tee's discretion, be based on a flexible repayment				
24 25	(4 including the ta			r provisions that the Department determines are necessary, d security interests in real and personal property.				
28	this subsection	that are i	in defau	es or deeds of trust held as security for loans made under It may be foreclosed by the Department in the same yland Rules of Procedure for foreclosures in private				
30 31	(2 and convey titl			artment may take title in its name to any property foreclosed to bona fide purchasers of the property.				
	ECONOMIC I	DEVELO	PMENT	ount of a [defense adjustment] loan MADE WITH Γ ADMINISTRATION FUNDS may not exceed the limit set by a Development Administration.				

- 1 (f) The minimum interest rate for a [defense adjustment] loan shall be a 2 fixed rate of 4 percent per annum.
- 3 (g) The proceeds of [defense adjustment] loans may be used for working
- 4 capital, EQUIPMENT, FURNISHINGS, FIXTURES, AND THE CONSTRUCTION,
- 5 REHABILITATION, OR PURCHASE OF REAL PROPERTY for the [defense adjustment]
- 6 activities approved by the Committee.
- 7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take 8 effect July 1, 1998.