Unofficial Copy C8

1998 Regular Session 8lr1834 CF 8lr2357

By: Delegates Krysiak and Rosenberg

Introduced and read first time: February 12, 1998

Assigned to: Economic Matters

1 AN ACT concerning

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## A BILL ENTITLED

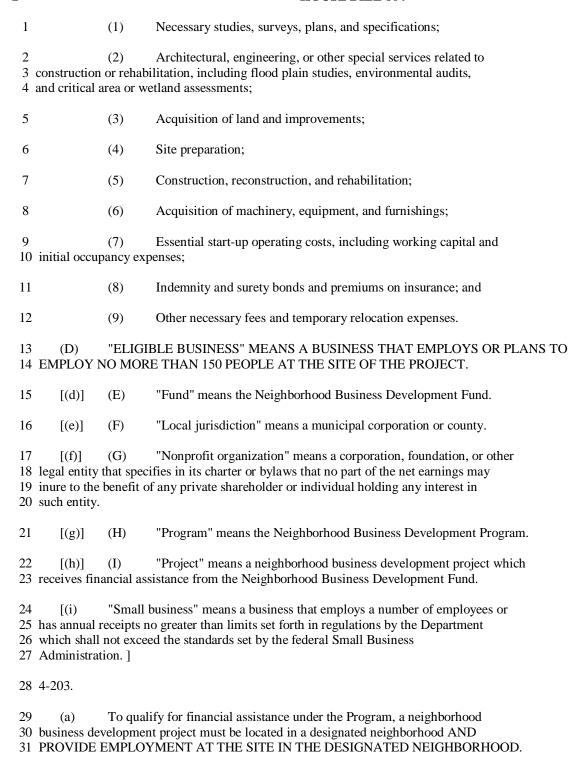
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Neighborhood Business Development Program - Eligible Business
Financing

- 4 FOR the purpose of repealing the definition of "small business"; adding the definition
- of "eligible business" to include only those businesses that employ or plan to
- 6 employ less than a certain number of people at a certain location; requiring a
- 7 neighborhood business development project to provide employment at certain
- 8 sites in order to qualify for certain assistance; requiring the Department to
- 9 reserve a certain amount of the appropriation for certain applicants employing
- less than a certain number of people; prohibiting the Department from requiring
- applicants to have been denied certain other assistance in certain
- 12 circumstances; and generally relating to the Neighborhood Business
- 13 Development Program.
- 14 BY repealing and reenacting, with amendments,
- 15 Article 83B Department of Housing and Community Development
- 16 Section 4-202, 4-203, 4-204, and 4-206
- 17 Annotated Code of Maryland
- 18 (1995 Replacement Volume and 1997 Supplement)
- 19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
- 20 MARYLAND, That the Laws of Maryland read as follows:

## 21 Article 83B - Department of Housing and Community Development

- 22 4-202.
- 23 (a) In this subtitle the following words have the meanings indicated.
- 24 (b) "Designated neighborhood" means a geographically defined area of a local
- 25 jurisdiction which is designated as an eligible neighborhood in accordance with §
- 26 4-203(b) of this subtitle.
- 27 (c) "Development costs" means the costs incurred for the construction or
- 28 rehabilitation of a neighborhood business development project, including the costs of:

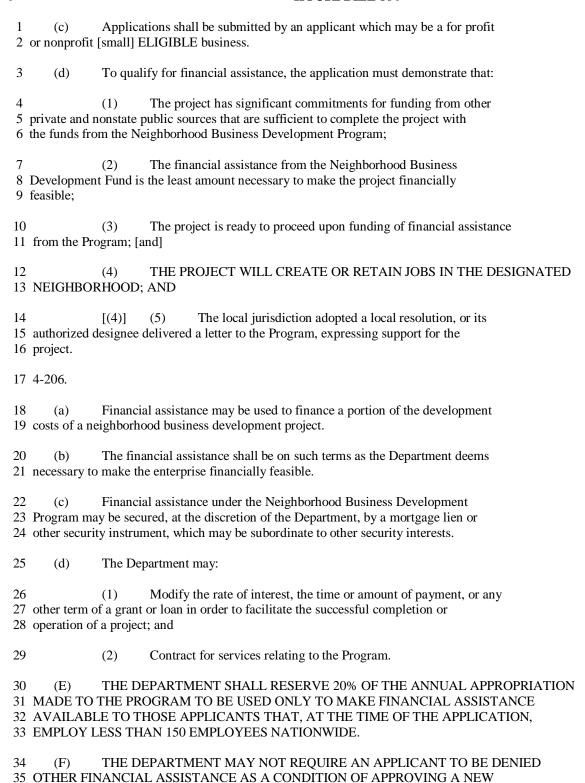


## **HOUSE BILL 864**

	(b) the concurrer following fac	Local jurisdictions may designate one or more eligible neighborhoods with nce of the Secretary of the Department, taking into consideration the ctors:						
4		(1)	The availability, cost, and condition of business facilities;					
5		(2)	The age and number of abandoned structures;					
6		(3)	The age and number of substandard structures;					
7 8	including the	(4) number	The income of residents relative to State or regional median incomes, of persons who are welfare recipients or unemployed;					
9 10	for residents	(5) of the de	The extent of unemployment and the availability in the area of jobs esignated neighborhood;					
11 12		(6) social an	The need for financing for [small] ELIGIBLE businesses in order to d economic conditions of the designated neighborhood;					
15	jurisdiction		The neighborhood development or redevelopment strategy of the local esignated neighborhood and any plans and financial commitment on to undertake improvements in the designated neighborhood;					
		-	Other standards and criteria deemed relevant by the Department as as, including standards established for other relevant State or					
20	4-204.							
21 (a) Financial assistance under the Program may be provided to a [small] 22 ELIGIBLE business in any of the following forms:								
23		(1)	Grant;					
24		(2)	Loan;					
25 26	25 (3) Reduction in the principal obligation of or rate of interest payable on 26 a loan or portion of a loan;							
27 28	a loan;	(4)	Prepayment of interest on a subordinate or superior loan or portion of					
29		(5)	Assurance;					
30		(6)	Guarantee; or					
31		(7)	Any other form of credit enhancement.					
32	(b)	The Dep	partment shall review all applications for financial assistance.					

36 APPLICATION.

## **HOUSE BILL 864**



- SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 2 October 1, 1998.