

HOUSE BILL 464

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2001 Regular Session
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By: **Delegates V. Jones, Hill, Benson, Branch, Brown, Cane, D. Davis,
Dobson, Fulton, Hubers, Kirk, Kopp, Marriott, Moe, Montague, Paige,
Patterson, Proctor, Swain, and Valderrama**

Introduced and read first time: February 2, 2001

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Business and Economic Development - Maryland Competitive Advantage**
3 **Financing Fund**

4 FOR the purpose of repealing the termination provision that applies to the Maryland
5 Competitive Advantage Financing Fund; altering the application requirements
6 for loans from the Fund; altering the length of the initial loan term and the
7 maximum loan term for certain loans from the Fund under certain
8 circumstances; and generally relating to the Maryland Competitive Advantage
9 Financing Fund.

10 BY repealing and reenacting, without amendments,
11 Article 83A - Department of Business and Economic Development
12 Section 5-1303(c)
13 Annotated Code of Maryland
14 (1998 Replacement Volume and 2000 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article 83A - Department of Business and Economic Development
17 Section 5-1303(d) and 5-1304(d)
18 Annotated Code of Maryland
19 (1998 Replacement Volume and 2000 Supplement)

20 BY repealing and reenacting, with amendments,
21 Chapter 299 of the Acts of the General Assembly of 1999
22 Section 3

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

Article 83A - Department of Business and Economic Development

2 5-1303.

3 (c) To apply for financial assistance, an applicant shall submit an application
4 to the Department on the form that the Department requires.

5 (d) The application shall include:

6 (1) A detailed business plan, including:

7 (i) An itemization of known and estimated costs;

8 (ii) The total amount of investment required; and

9 (iii) The amount of financial assistance requested from the
10 Department;

11 (2) The amount of funds available to the applicant without financial
12 assistance from the Department;

13 (3) Information relating to the financial status of the applicant,
14 including:

15 (i) A current balance sheet;

16 (ii) A profit and loss statement;

17 (iii) Credit references; and

18 (iv) Evidence that the applicant and the owners are financially
19 responsible[, including a statement or evidence that neither the applicant nor any of
20 its owners:

21 1. Has filed for bankruptcy in the 7 years preceding the
22 application;

23 2. Has any existing liens or judgments; and

24 3. Currently owes any State or federal taxes that were not
25 paid when due];

26 (4) Information showing the financial status of each owner of the
27 applicant, including:

28 (i) A current balance sheet;

29 (ii) An income statement; and

30 (iii) Credit references;

1 (5) Evidence that the applicant has made reasonable efforts to obtain
2 financial assistance on reasonable terms from other sources; and

3 (6) Any other relevant information that the Department requests.

4 5-1304.

5 (d) (1) Except as provided in paragraph (2) of this subsection, the term of
6 any loan or other financial assistance may not exceed 10 years.

7 (2) If more than 50% of the proceeds of a loan made from the Fund are
8 used for working capital, the term of the loan may not exceed [1 year] 3 YEARS,
9 unless[:

10 (i) At] AT the end of [1 year] 3 YEARS, the Department reviews
11 the borrowers' performance and financial condition and determines that [a 1-year]
12 AN extension of the term is appropriate[; and

13 (ii) In the case of a loan term that is extended for an additional
14 year, at the end of the additional year, the Department repeats the review and
15 determines that an additional 1-year extension is appropriate].

16 (3) The term of a loan made under paragraph (2) of this subsection may
17 not exceed [3] 5 years.

18 **Chapter 299 of the Acts of 1999**

19 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 July 1, 1999. [It shall remain effective for a period of 2 years and, at the end of June
21 30, 2001, with no further action required by the General Assembly, this Act shall be
22 abrogated and of no further force and effect.]

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 July 1, 2001.