
By: **Senators Middleton and Hafer**
Introduced and read first time: February 2, 2001
Assigned to: Budget and Taxation

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 date of certain provisions of law related
5 to the Maryland Competitive Advantage Financing Fund; eliminating the
6 requirement that an application for financial assistance from the Fund must
7 include certain information related to the financial responsibility of the
8 applicant and the owners of the applicant; extending the maximum duration for
9 certain loans; removing a defined period of extension for the extension of the
10 terms of certain loans, subject to certain limitations; making technical changes;
11 and generally relating to the Maryland Competitive Advantage Financing Fund
12 in the Department of Business and Economic Development.

13 BY repealing and reenacting, with amendments,
14 Chapter 299 of the Acts of the General Assembly of 1999
15 Section 3

16 BY repealing and reenacting, with amendments,
17 Article 83A - Department of Business and Economic Development
18 Section 5-1303 and 5-1304
19 Annotated Code of Maryland
20 (1998 Replacement Volume and 2000 Supplement)

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

23 **Chapter 299 of the Acts of 1999**

24 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 July 1, 1999. [It shall remain effective for a period of 2 years and, at the end of June
26 30, 2001, with no further action required by the General Assembly, this Act shall be
27 abrogated and of no further force and effect.]

28 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
29 read as follows:

Article 83A - Department of Business and Economic Development

2 5-1303.

3 (a) The Department may use moneys in the Fund to:

4 (1) Provide financial assistance to eligible applicants; and

5 (2) Pay expenses for administrative, actuarial, legal, and technical
6 services for the Fund.

7 (b) Subject to the restrictions of this subtitle, the Department may provide
8 financial assistance from the Fund to a business that:

9 (1) Is a small business;

10 (2) Has made reasonable efforts to obtain financial assistance on
11 reasonable terms from other sources; and

12 (3) Meets the qualifications required by this subtitle.

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

15 (d) The application shall include:

16 (1) A detailed business plan, including:

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

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

19 (iii) The amount of financial assistance requested from the
20 Department;

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

23 (3) Information relating to the financial status of the applicant,
24 including:

25 (i) A current balance sheet;

26 (ii) A profit and loss statement;

27 (iii) Credit references; and

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

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

3 (e) The applicant must provide at least 10% of the total project costs or capital
4 needed.

5 (f) Funds made available through financial assistance may be used only to
6 finance costs incurred for:

7 (1) Acquisition or construction of a building or real estate;

8 (2) Acquisition, construction, or installation of machinery, equipment,
9 furnishings, fixtures, leasehold improvements, or site improvements; or

10 (3) Working capital.

11 (g) If an applicant violates any provision of the financial assistance documents
12 or ceases to meet the requirements of this subtitle, the Department may:

13 (1) Withhold from the applicant further advances of financial assistance
14 until the applicant complies with the agreement or requirements; and

15 (2) Exercise any other remedy for which the financial assistance
16 documents provide.

17 (h) The Department shall adopt regulations necessary to carry out the
18 provisions of this subtitle.

19 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
20 take effect July 1, 2001.

21 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in
22 Section 3 of this Act, this Act shall take effect June 1, 2001.