

# HOUSE BILL 1492

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By: **Delegates Hayes, Ali, Anderson, Conaway, Glenn, Lewis, McCray, McIntosh, Mosby, and Rosenberg**

Introduced and read first time: February 10, 2017

Assigned to: Environment and Transportation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Housing and Community Development – Food Deserts – Small Loans**

3 FOR the purpose of authorizing financial assistance under the Business Development  
4 Program to be used for certain small loans; authorizing the Department of Housing  
5 and Community Development to provide small loans that are not more than a certain  
6 amount to certain entities for a certain purpose; authorizing the Department to work  
7 with intermediaries to administer small loans; and generally relating to small loans  
8 for food desert projects under the Business Development Program.

9 BY repealing and reenacting, with amendments,  
10 Article – Housing and Community Development  
11 Section 6–307 and 6–308.3  
12 Annotated Code of Maryland  
13 (2006 Volume and 2016 Supplement)

14 BY repealing and reenacting, without amendments,  
15 Article – Housing and Community Development  
16 Section 6–308(c) and 6–308.1(a)  
17 Annotated Code of Maryland  
18 (2006 Volume and 2016 Supplement)

19 WHEREAS, The Supplemental Nutrition Assistance Program (SNAP) Retailer  
20 Regulations Final Rule requires all food retailers, including corner and convenience stores,  
21 to significantly increase the number of staple foods in order to maintain SNAP eligibility;  
22 and

23 WHEREAS, As a result stores may be required to purchase additional equipment;  
24 now, therefore, be it

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Housing and Community Development**

4 6–307.

5 (a) Financial assistance under the Business Development Program shall be on  
6 the terms that the Department considers necessary to make the project financially feasible.

7 (b) Financial assistance under the Business Development Program may be used  
8 for:

9 (1) a part of the development costs of a project; [or]

10 (2) the development costs, working capital, or business expenses of a  
11 microenterprise project; **OR**

12 **(3) IN ACCORDANCE WITH § 6–308.3 OF THIS SUBTITLE, SMALL LOANS**  
13 **FOR FOOD DESERT PROJECTS.**

14 (c) The Department may require that financial assistance under the Business  
15 Development Program be secured by a mortgage or other security instrument, which may  
16 be subordinate to other security interests.

17 (d) The Department may modify the interest rate, the time or amount of payment,  
18 or any other term of a grant or loan to facilitate the successful completion or operation of a  
19 project.

20 (e) The Department may contract for services related to the Business  
21 Development Program.

22 6–308.

23 (c) The Secretary, on the recommendation of the Interagency Food Desert  
24 Advisory Committee established under § 6–308.2 of this subtitle, may designate an area as  
25 a food desert after considering the following factors:

26 (1) availability of fresh fruit, vegetables, and other healthy foods in the  
27 area;

28 (2) income levels of local residents;

29 (3) transportation needs of local residents and the availability of public  
30 transportation;

31 (4) comments from local governments; and

1 (5) any other factors that the Department considers relevant.

2 6–308.1.

3 (a) If the Department determines that an entity is capable of administering  
4 financial assistance under the Program, the entity may originate and administer financial  
5 assistance in accordance with standards the Department adopts by regulation.

6 6–308.3.

7 (a) If the Department determines that an entity is capable of administering a food  
8 desert project, the entity may originate and administer financial assistance to a food desert  
9 project in accordance with standards the Department adopts by regulation.

10 (b) The Department may:

11 (1) pay an approved entity a reasonable origination, application, and  
12 processing fee for each food desert project that is originated by the approved entity;

13 (2) directly fund the financial assistance for a food desert project that is  
14 originated by an approved entity; [and]

15 (3) provide financial assistance to an approved entity for the purpose of the  
16 approved entity providing financial assistance for a food desert project in accordance with  
17 this subtitle; AND

18 (4) (I) PROVIDE SMALL LOANS IN AMOUNTS THAT ARE NOT MORE  
19 THAN \$50,000 PER LOAN TO AN APPROVED ENTITY FOR ASSISTANCE IN PROVIDING  
20 BETTER ACCESS TO HEALTHY FOOD IN FOOD DESERTS, INCLUDING BY PROVIDING  
21 LOANS FOR REFRIGERATORS, FREEZERS, AND OTHER EQUIPMENT;

22 (II) IN CARRYING OUT THIS ITEM, WORK WITH INTERMEDIARIES  
23 TO ADMINISTER SMALL LOANS.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
25 October 1, 2017.