

# HOUSE BILL 1492

C8

7lr3259

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

Introduced and read first time: February 10, 2017

Assigned to: Environment and Transportation

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 11, 2017

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

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

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

12 BY repealing and reenacting, with amendments,  
13 Article – Housing and Community Development  
14 Section ~~6–307~~ 6–305(e), 6–307, and 6–308.3  
15 Annotated Code of Maryland  
16 (2006 Volume and 2016 Supplement)

17 BY repealing and reenacting, without amendments,  
18 Article – Housing and Community Development  
19 Section 6–308(c) and 6–308.1(a)  
20 Annotated Code of Maryland  
21 (2006 Volume and 2016 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



Preamble

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

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

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

**Article – Housing and Community Development**

6–305.

(e) **(1)** The Department shall reserve at least the lesser of \$5,000,000 or the annual capital appropriation for the Fund to make financial assistance available to projects located in sustainable communities.

**(2) THE DEPARTMENT MAY MEET THE FUNDING OBLIGATIONS FOR SUSTAINABLE COMMUNITIES AND FOOD DESERTS BY USING ANY FINANCIAL ASSISTANCE AVAILABLE TO THE DEPARTMENT THAT IS AUTHORIZED TO BE USED FOR THESE PROJECTS.**

6–307.

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

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

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

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

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

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

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

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

6 6–308.

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

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

12 (2) income levels of local residents;

13 (3) transportation needs of local residents and the availability of public  
14 transportation;

15 (4) comments from local governments; and

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

17 6–308.1.

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

21 6–308.3.

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

25 (b) The Department may:

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

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

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

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

8 (II) ~~IN CARRYING OUT THIS ITEM,~~ WORK WITH INTERMEDIARIES  
9 TO ADMINISTER THE SMALL LOANS AUTHORIZED UNDER ITEM (I) OF THIS  
10 PARAGRAPH.

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

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.