



Larry Hogan | Governor
Boyd Rutherford | Lt. Governor
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DATE: January 25, 2022
COMMITTEE: Senate Budget & Taxation
BILL NO: Senate Bill 245
BILL TITLE: Maryland Nonprofit Development Center Program- Nonprofit, Interest-Free, Micro Bridge Loan (NIMBL) Account--Funding
POSITION: Statement of Information

Senate Bill 245 removes the language “up to” from the current law. The current statute allows an amount “up to” 5%, not to exceed \$1,000,000 from the amount paid to the Small, Minority, and Women-Owned Businesses Account (SMWOBA) to the NIMBL program. This gives Commerce more flexibility to determine the appropriate funding level for NIMBL based on demand in the program. Senate Bill 245 would remove that ability and would significantly increase the amount of funds transferred from the SMWOBA to the NIMBL program each year.

Commerce has administered the NIMBL program since its inception in 2017. Assistance through this program provides for short-term bridge loans of \$25,000 while the nonprofit awaits a government grant or contract. Funding is transferred from the Small, Minority, and Women-Owned Businesses Account. The historical appropriation for SMWOBA is \$17 million. This legislative change would mean 5% of the SMWOBA appropriation (up to \$1M) would be allocated to NIMBL, which equates to approximately \$850,000 of funding to NIMBL each year based on recent years’ appropriations. This change would support up to 34 loans a year, an 85% increase in historical NIMBL activity.

The Department believes that the increased funding required under SB 245 would go unused. Since NIMBL’s inception in 2017 through June 30, 2021, seventeen (17) loans have been approved and funded for a total of \$414,760. Fifteen of the loans were repaid for a total of \$319,460. So far, in fiscal year 2022, three transactions have been approved for \$75,000, and two applications are pending. Based on past NIMBL activity, it is unlikely that there would be a significant increase in program uptake to support the increased funding required by this bill. As a result, there could be a reduction in funds available for small, minority, and women-owned businesses through the SMWOBA program.