

SENATE BILL 896

C8

5lr3067

By: **Senators Jennings, Astle, Cassilly, Peters, and Waugh**

Introduced and read first time: March 4, 2015

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Military Personnel and Veteran–Owned Small Business No–Interest Loan**
3 **Program and Fund**

4 FOR the purpose of establishing the Military Personnel and Veteran–Owned Small
5 Business No–Interest Loan Fund as a special, nonlapsing fund; specifying the
6 purpose of the Fund; requiring the Secretary of Business and Economic Development
7 to administer the Fund; requiring the State Treasurer to hold the Fund and the
8 Comptroller to account for the Fund; specifying the contents of the Fund; specifying
9 the purpose for which the Fund may be used; defining a certain term; and generally
10 relating to the Military Personnel and Veteran–Owned Small Business No–Interest
11 Loan Program and Fund.

12 BY repealing and reenacting, with amendments,
13 Article – Economic Development
14 Section 5–1001 and 5–1006
15 Annotated Code of Maryland
16 (2008 Volume and 2014 Supplement)

17 BY repealing and reenacting, without amendments,
18 Article – Economic Development
19 Section 5–1002 through 5–1005
20 Annotated Code of Maryland
21 (2008 Volume and 2014 Supplement)

22 BY adding to
23 Article – Economic Development
24 Section 5–1006
25 Annotated Code of Maryland
26 (2008 Volume and 2014 Supplement)

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 – Economic Development**

4 5–1001.

5 (a) In this subtitle the following words have the meanings indicated.

6 **(B) “FUND” MEANS THE MILITARY PERSONNEL AND VETERAN-OWNED**
7 **SMALL BUSINESS NO-INTEREST LOAN FUND ESTABLISHED UNDER § 5-1006 OF**
8 **THIS SUBTITLE.**

9 **[(b)] (C)** “Service-disabled veteran” means a veteran with a disability that is
10 service-connected, as defined in 38 U.S.C. § 101(16).

11 **[(c)] (D)** (1) “Small business employer” means an employer who employed an
12 average of 50 or fewer employees on business days during the calendar year preceding the
13 determination of eligibility for a loan under this subtitle.

14 (2) For purposes of paragraph (1) of this subsection, all persons treated as
15 a single employer under § 414(b), (c), (m), or (o) of the Internal Revenue Code shall be
16 treated as a single employer under this subtitle.

17 **[(d)] (E)** “Veteran-owned small business” means a small business that is at least
18 51% owned by a veteran as defined in 38 U.S.C. § 101(2).

19 5–1002.

20 Subject to the availability of funds, the Department, in consultation with the
21 Department of Veterans Affairs, shall establish a program to provide no-interest loans
22 under this subtitle to:

23 (1) small business employers of military reservists and National Guard
24 personnel who are called to active duty;

25 (2) businesses owned by military reservists and National Guard personnel
26 who are called to active duty;

27 (3) veteran-owned small businesses; and

28 (4) businesses employing a service-disabled veteran.

29 5–1003.

30 Loans shall be made under this subtitle for the purposes of:

1 (1) providing financial support to:

2 (i) a business owned by a military reservist or National Guard
3 member who is called to active duty; or

4 (ii) a small business employer of a military reservist or National
5 Guard member who is called to active duty;

6 (2) making the home, motor vehicle, or place of employment of a veteran
7 accessible to individuals with disabilities, including purchasing equipment necessary to
8 enable a business to employ a service-disabled veteran or to enable a service-disabled
9 veteran to operate a business; and

10 (3) defraying other necessary expenses, as determined by the Department
11 of Veterans Affairs, incurred by:

12 (i) a business employing a service-disabled veteran; or

13 (ii) a veteran-owned small business.

14 5-1004.

15 (a) A loan made under this subtitle for the purpose of providing financial support
16 to a business owned by an individual who is called to active duty or to a small business
17 employer of an individual who is called to active duty:

18 (1) may be made at any time from the individual's receipt of orders to
19 report to 6 months after the end of the individual's active duty; and

20 (2) shall be subject to criteria for eligibility and priority established by the
21 Department of Veterans Affairs, including the extent to which the individual who is called
22 to active duty is an essential employee of the business.

23 (b) A loan made under this subtitle for the purpose of making accessible to
24 individuals with disabilities the home, motor vehicle, or place of employment of a
25 service-disabled veteran may be made at any time.

26 5-1005.

27 (a) The Department shall administer the loan program authorized under this
28 subtitle.

29 (b) The Department of Veterans Affairs shall establish eligibility criteria for loans
30 under this subtitle.

31 5-1006.

1 **(A) THERE IS A MILITARY PERSONNEL AND VETERAN-OWNED SMALL**
2 **BUSINESS NO-INTEREST LOAN FUND.**

3 **(B) THE PURPOSE OF THE FUND IS TO PROVIDE NO-INTEREST LOANS**
4 **CONSISTENT WITH THIS SUBTITLE.**

5 **(C) THE SECRETARY SHALL ADMINISTER THE FUND.**

6 **(D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
7 **SUBJECT TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND**
8 **PROCUREMENT ARTICLE.**

9 **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**
10 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

11 **(3) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED**
12 **TO THE FUND.**

13 **(E) THE FUND CONSISTS OF:**

14 **(1) MONEY THE STATE APPROPRIATES TO THE FUND;**

15 **(2) MONEY MADE AVAILABLE TO THE FUND THROUGH FEDERAL**
16 **PROGRAMS OR PRIVATE CONTRIBUTIONS;**

17 **(3) REPAYMENTS FROM LOANS PROVIDED BY THE DEPARTMENT**
18 **UNDER THIS SUBTITLE;**

19 **(4) PROCEEDS FROM THE SALE, DISPOSITION, LEASE, OR RENTAL OF**
20 **COLLATERAL RELATED TO LOANS PROVIDED BY THE DEPARTMENT UNDER THIS**
21 **SUBTITLE; AND**

22 **(5) ANY OTHER MONEY MADE AVAILABLE TO THE FUND.**

23 **(F) THE DEPARTMENT MAY USE MONEY IN THE FUND TO PROVIDE LOANS**
24 **TO ELIGIBLE APPLICANTS UNDER §§ 5-1002 THROUGH 5-1004 OF THIS SUBTITLE.**

25 **[5-1006.] 5-1007.**

26 (a) The Department shall adopt regulations to carry out this subtitle.

27 (b) The Department of Veterans Affairs may adopt regulations concerning
28 eligibility criteria for loans under this subtitle.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2015.