

# HOUSE BILL 1303

C8

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By: **Delegate Henson**

Introduced and read first time: February 8, 2021

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Small, Minority, and Women–Owned Business Financial Assistance – Use of**  
3 **Funds**

4 FOR the purpose of requiring an agency or unit of State government administering a  
5 certain financial assistance program authorized in response to certain disasters to  
6 authorize, notwithstanding certain provisions of law, small, minority, and  
7 women–owned businesses that are not in good standing with the State Department  
8 of Assessments and Taxation to apply to the agency or unit to conditionally  
9 participate in the program; requiring a certain applicant to reasonably demonstrate  
10 certain business operations in a certain manner to conditionally participate in a  
11 program; authorizing a small, minority, or women–owned business that is  
12 authorized to conditionally participate in the program to receive certain financial  
13 assistance; authorizing the business, notwithstanding certain provisions of law, to  
14 utilize certain financial assistance during a certain period of time for certain  
15 purposes; requiring certain financial assistance utilized for certain purposes to be  
16 forgiven under certain circumstances; authorizing the business, under certain  
17 circumstances, to fully participate in the program and requiring the business to be  
18 provided certain financial assistance; defining certain terms; and generally relating  
19 to financial assistance provided to small, minority, and women–owned businesses.

20 BY adding to

21 Article – State Finance and Procurement

22 Section 2–901 through 2–903 to be under the new subtitle “Subtitle 9. Utilization of  
23 Small, Minority, and Women–Owned Business Financial Assistance”

24 Annotated Code of Maryland

25 (2015 Replacement Volume and 2020 Supplement)

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

28 **Article – State Finance and Procurement**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **SUBTITLE 9. UTILIZATION OF SMALL, MINORITY, AND WOMEN-OWNED BUSINESS**  
2 **FINANCIAL ASSISTANCE.**

3 **2-901.**

4 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
5 INDICATED.

6 (B) "DISASTER" MEANS A CATASTROPHIC EVENT, INCLUDING A NATURAL  
7 DISASTER, AN EPIDEMIC, A PANDEMIC, OR ANY OTHER PUBLIC HEALTH  
8 EMERGENCY.

9 (C) "FINANCIAL ASSISTANCE" MEANS NEED-BASED MONETARY AID  
10 PROVIDED BY THE STATE TO SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES,  
11 INCLUDING:

12 (1) LOANS;

13 (2) FORGIVABLE LOANS; AND

14 (3) GRANTS.

15 **2-902.**

16 THIS SUBTITLE APPLIES ONLY TO STATE PROGRAMS AUTHORIZED IN  
17 RESPONSE TO DISASTERS TO PROVIDE FINANCIAL ASSISTANCE TO SMALL,  
18 MINORITY, AND WOMEN-OWNED BUSINESSES.

19 **2-903.**

20 (A) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, AN AGENCY  
21 OR UNIT OF STATE GOVERNMENT ADMINISTERING A PROGRAM SUBJECT TO THIS  
22 SUBTITLE SHALL AUTHORIZE SMALL, MINORITY, AND WOMEN-OWNED BUSINESSES  
23 THAT ARE NOT IN GOOD STANDING WITH THE STATE DEPARTMENT OF  
24 ASSESSMENTS AND TAXATION TO APPLY TO THE AGENCY OR UNIT TO  
25 CONDITIONALLY PARTICIPATE IN THE PROGRAM.

26 (2) (I) AN APPLICANT FOR CONDITIONAL PARTICIPATION IN A  
27 PROGRAM SHALL REASONABLY DEMONSTRATE TO THE ADMINISTERING  
28 DEPARTMENT THAT THE BUSINESS WAS IN OPERATION FOR THE PERIOD OF TIME  
29 APPLICABLE UNDER THE REGULATIONS GENERALLY GOVERNING THE FINANCIAL  
30 ASSISTANCE PROGRAM.

1                   **(II) AN APPLICANT MAY DEMONSTRATE BUSINESS OPERATIONS**  
2 **BY PROVIDING THE ADMINISTERING DEPARTMENT:**

3                   **1. GROSS SALES RECEIPTS SHOWING TRANSACTION**  
4 **DATES;**

5                   **2. DATED FINANCIAL STATEMENTS; AND**

6                   **3. SWORN AFFIDAVITS MADE BY A PERSON WITH**  
7 **KNOWLEDGE OF THE BUSINESS'S OPERATIONS.**

8                   **(B) (1) A SMALL, MINORITY, OR WOMEN-OWNED BUSINESS THAT IS**  
9 **AUTHORIZED TO CONDITIONALLY PARTICIPATE IN A PROGRAM IN ACCORDANCE**  
10 **WITH SUBSECTION (A) OF THIS SECTION MAY RECEIVE AN AMOUNT EQUAL TO 40%**  
11 **OF THE FINANCIAL ASSISTANCE THAT THE BUSINESS OTHERWISE WOULD HAVE**  
12 **RECEIVED UNDER THE PROGRAM BUT FOR THE BUSINESS'S LACK OF GOOD**  
13 **STANDING.**

14                   **(2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE SMALL,**  
15 **MINORITY, OR WOMEN-OWNED BUSINESS MAY UTILIZE THE FINANCIAL ASSISTANCE**  
16 **DURING THE 6-MONTH PERIOD AFTER RECEIPT OF THE FINANCIAL ASSISTANCE TO:**

17                   **(I) BRING THE BUSINESS INTO COMPLIANCE WITH ANNUAL**  
18 **REPORTING REQUIREMENTS;**

19                   **(II) PAY ANY OUTSTANDING PERSONAL PROPERTY TAXES OWED;**  
20 **AND**

21                   **(III) PAY PENALTIES, INTEREST, AND FEES ASSOCIATED WITH**  
22 **NONCOMPLIANCE WITH STATE LAW OR BUSINESS REGULATION.**

23                   **(3) IF THE FINANCIAL ASSISTANCE PROVIDED TO THE SMALL,**  
24 **MINORITY, OR WOMEN-OWNED BUSINESS IS IN THE FORM OF A LOAN, THE PORTION**  
25 **OF THE LOAN UTILIZED FOR THE PURPOSES DESCRIBED UNDER PARAGRAPH (2) OF**  
26 **THIS SUBSECTION SHALL BE FORGIVEN.**

27                   **(C) IF THE SMALL, MINORITY, OR WOMEN-OWNED BUSINESS ENTERS INTO**  
28 **GOOD STANDING WITH THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION**  
29 **DURING THE PERIOD OF CONDITIONAL PARTICIPATION, THE BUSINESS:**

30                   **(1) MAY FULLY PARTICIPATE IN THE PROGRAM; AND**

1                   **(2) SHALL BE PROVIDED THE BALANCE OF THE AMOUNT OF**  
2 **FINANCIAL ASSISTANCE THAT WOULD HAVE BEEN PROVIDED TO THE BUSINESS HAD**  
3 **THE BUSINESS BEEN APPROVED TO FULLY PARTICIPATE IN THE PROGRAM AT THE**  
4 **TIME OF APPLICATION.**

5                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
6 October 1, 2021.