

HOUSE BILL 235

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(PRE-FILED)

6lr0188
CF SB 47

By: **Chair, Economic Matters Committee (By Request – Departmental – Housing and Community Development)**

Requested: September 22, 2025

Introduced and read first time: January 14, 2026

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Housing and Community Development – Neighborhood Business Development**
3 **Program – Local Approval Requirement**

4 FOR the purpose of repealing a certain requirement for approval by a political subdivision
5 of a certain application for financial assistance under the Neighborhood Business
6 Development Program from the Department of Housing and Community
7 Development; and generally relating to the Neighborhood Business Development
8 Program.

9 BY repealing and reenacting, with amendments,
10 Article – Housing and Community Development
11 Section 6–305
12 Annotated Code of Maryland
13 (2019 Replacement Volume and 2025 Supplement)

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

16 **Article – Housing and Community Development**

17 6–305.

18 (a) (1) A small business, nonprofit organization, or microenterprise may apply
19 for financial assistance under the Business Development Program.

20 (2) The Department shall review each application.

21 (b) An applicant may qualify for financial assistance for a project in a priority
22 funding area or an eligible opportunity zone if the application demonstrates that:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(1) the financial assistance from the Fund is the minimum amount necessary to make the project financially feasible;

(2) the project is ready to proceed when it receives financial assistance from the Business Development Program; and

(3) any food desert project includes a plan to seek out sources of Maryland-grown produce and Maryland produced foods.

(c) [(1)] The Department shall provide written notice to the political subdivision in which the proposed project is located.

[(2)] Except as provided in paragraph (3) of this subsection, the Department may not approve an application unless the political subdivision in which the proposed project is located approves the application by:

(i) resolution; or

(ii) letter, delivered to the Department by the political subdivision's authorized designee, expressing support of the plan or project.

(3) If the Department does not receive notice of approval or denial of an application from the affected jurisdictions within 45 days after notice of the proposed project is given in accordance with paragraph (1) of this subsection, the Department may approve the application.]

(d) Financial assistance under the Business Development Program may be provided to a small business, nonprofit organization, or microenterprise as:

(1) a grant;

(2) a loan;

(3) a reduction in the principal obligation of or interest rate on a loan or portion of a loan;

(4) a prepayment of interest on a subordinate or superior loan or portion of a loan;

(5) an assurance;

(6) a guarantee;

(7) any other form of credit enhancement; or

1 (8) a promissory note that may be converted to an equity ownership
2 interest and liquidated at the earliest opportunity to realize the highest market value for
3 the Department.

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

7 (2) The Department may meet the funding obligations for sustainable
8 communities and food deserts by using any financial assistance available to the
9 Department that is authorized to be used for these projects.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
11 1, 2026.