

TO SOCIALLY OR ECONOMICALLY DISADVANTAGED BUSINESSMEN WITH SHORT TRACK RECORDS OR NONEXISTENT HISTORIES. IT IS NOT IN THE INTEREST OF A BANK OFFICIAL TO CARRY AN EXCESSIVE NUMBER OF HIGH RISK, PROBLEM, AND UNCOLLECTABLE TRANSACTIONS IN HIS PORTFOLIO.

(B) PURPOSE

(1) IT IS THE INTENTION OF THIS LEGISLATION TO ASSIST THE SOCIALLY OR ECONOMICALLY DISADVANTAGED BUSINESSMAN TO SECURE ADEQUATE WORKING CAPITAL TO START, CONTINUE, AND COMPLETE A PROJECT AWARDED THE SMALL BUSINESSMAN BY A FEDERAL, STATE, OR LOCAL GOVERNMENTAL AGENCY.

(2) THE GENERAL ASSEMBLY IS CONCERNED THAT CONTRACTS ARE EFFECTIVELY BEING KEPT FROM CERTAIN PERSONS FOR REASONS OTHER THAN THEIR COST TO THE GOVERNMENT OR THE RECIPIENT'S ABILITY TO COMPETENTLY PERFORM THE CONTRACT WORK.

(3) THE GENERAL ASSEMBLY CONCLUDES THAT THERE IS A NEED FOR A MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY WITHIN THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TO ENCOURAGE SOCIALLY OR ECONOMICALLY DISADVANTAGED BUSINESSMEN TO SEEK GOVERNMENT CONTRACTS, AND TO ENCOURAGE LENDING INSTITUTIONS TO PROVIDE LOANS TO THESE BUSINESSMEN.

266HH-2.

(A) IN THIS SUBHEADING THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "ELIGIBLE APPLICANT":

(1) MEANS AN INDIVIDUAL OF GOOD CHARACTER, APPROVED BY THE DEPARTMENT, WHO DUE TO SOCIAL OR ECONOMIC DISADVANTAGE, HAS BEEN DENIED THE OPPORTUNITY TO ACQUIRE ADEQUATE BUSINESS FINANCING ON REASONABLE TERMS, THROUGH NORMAL LENDING CHANNELS; AND

(2) INCLUDES SOLE PROPRIETORSHIPS, PARTNERSHIPS, JOINT VENTURES, CORPORATIONS, AND OTHER BUSINESS ENTERPRISES, 70 PERCENT OR MORE OF WHICH ARE OWNED BY INDIVIDUALS QUALIFYING UNDER PARAGRAPH (1).

(C) "SOCIAL OR ECONOMIC DISADVANTAGED" MEANS THE SOCIAL OR ECONOMIC DISADVANTAGE WHICH RESULTS FROM:

(1) A SOCIALLY OR ECONOMICALLY DEPRIVED INDIVIDUAL WHO IS A MEMBER OF A GROUP WHICH HAS BEEN HISTORICALLY DEPRIVED OF ACCESS TO NORMAL ECONOMIC OR FINANCIAL RESOURCES BECAUSE OF RACE, COLOR, CREED, SEX, RELIGION, OR NATIONAL ORIGIN;

(2) AN INDIVIDUAL SUFFERING FROM AN IDENTIFIABLE PHYSICAL HANDICAP WHICH SEVERELY LIMITS THE