

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2013 Legislative Session

Bill No. CB-28-2013
 Chapter No. 35
 Proposed and Presented by Council Member Lehman
 Introduced by Council Members Lehman, Davis, Franklin, Harrison, Olson, Patterson,
Toles and Turner
 Date of Introduction July 2, 2013

BILL

1 AN ACT concerning

2 Community Bank Small Business Lending Program

3 For the purpose of establishing a Community Bank Small Business Lending Program, to require
 4 bank participants to make loans to small businesses in the County in an aggregate amount of at
 5 least 200% of incremental funds deposited into the bank by the County, define eligibility
 6 requirements for participating community banks, and to institute reporting requirements for
 7 participating community banks.

8 BY adding:

9 SUBTITLE 10. FINANCE AND TAXATION.

10 Sections 10-146, 10-147, 10-148, and 10-149,

11 The Prince George's County Code

12 (2011 Edition).

13 SECTION 1. BE IT ENACTED by the County Council of Prince George's County,
 14 Maryland, that Sections 10-146, 10-147, 10-148 and 10-149 of the Prince George's County Code
 15 be and the same are hereby added:

16 SUBTITLE 10. FINANCE AND TAXATION.

17 DIVISION 3. [RESERVED] **COMMUNITY BANK SMALL BUSINESS LENDING**
 18 **PROGRAM.**

19 **Sec. 10-146. Legislative findings and declaration of purpose.**

20 The County Council for Prince George's County, Maryland, hereby finds that there is a
 21 need for access to capital by small and local businesses at a time when credit is not easily

1 obtainable due to the economic challenges our country is enduring at this time; that community
 2 banks are more likely to make loans to small and local businesses; and that the County needs to
 3 promote small business lending and provide an overall economic stimulus to the County's
 4 economy; and that in order to effectively respond, the County Council for Prince George's
 5 County, Maryland hereby declares that it is the public policy of Prince George's County to
 6 establish a program to enhance local and small business lending by placing deposits in
 7 community banks located in the County to promote small business development and generate
 8 jobs for the benefit of County residents, while providing the County with a competitive return on
 9 those deposits, which will be covered by Federal Deposit Insurance Corporation (FDIC), and
 10 placed with community banks which are deemed safe and sound through the Community Bank
 11 Small Business Lending Program.

12 **Sec. 10-147. Establishment of Community Bank Small Business Lending Program.**

13 (a) There is hereby established the Community Bank Small Business Lending Program to
 14 enable the County to promote small business lending within the County by maintaining a
 15 minimum of Ten Million dollars (\$10 Million) in County deposits in locally based community
 16 banks and requiring those banks to redeploy those assets in loans to County small businesses.
 17 The County may maintain less than Ten Million (\$10 Million) in deposits if there are not enough
 18 eligible banks willing to participate in the Program or liquidity needs of the County require a
 19 reduction or elimination of this Program.

20 (b) Rules and regulations to carry out the provisions of this Division shall be promulgated
 21 by the Director of Finance by January 1, 2014. Said rules and regulations shall govern the
 22 implementation and administration of the Community Bank Small Business Lending Program,
 23 including but not limited to the process of notifying all eligible banks of the Program, the process
 24 of selecting eligible banks for the Program, the process of altering the amount of deposits of
 25 County funds made to banks that elect to participate in the Program, the process for expanding
 26 the Program in the future, the process for determining duration of the deposits, and the interest to
 27 be paid thereon.

28 **Sec. 10-148. Program requirements.**

29 (a) Eligibility of banks to participate. To qualify for participation in the Program a bank
 30 shall be:

31 (1) Headquartered or operate one (1) or more branches in Prince George's County;

(2) Have assets between Two Hundred Million (\$200 Million) and Five Billion (\$5 Billion); and

(3) Be in good financial standing with a VERIBANC rating of Green* or better.

(b) The County shall have the ability to waive the requirements of Subsection (a)(2) of this Section upon good cause shown by a bank seeking to participate in the Program.

(c) Participating banks shall agree to make and maintain small business loans in an aggregate amount equal to at least two hundred percent (200%) of the deposits placed in the bank by the County under the Program. Eligible loans shall be to businesses located within Prince George's County and shall be originated within twelve (12) calendar months after the County has made the deposit with the participating bank under the Program. The requirement to make eligible loans under the Program shall apply to the initial deposit by the County and any renewal of that deposit. If the loans have not been made within the twelve (12) calendar month time period, if good cause is shown, the County may extend the twelve (12) calendar month time period for origination of the loans as defined by the regulations promulgated by the Director of Finance.

(d) Borrowers under the Program shall be a small business concern as defined pursuant to Section 3 of the Small Business Act and United States Small Business Administration regulations implementing it at 13 CFR Part 12.1, which are located in Prince George's County.

(e) Interest rates and fees charged for loans under the Program shall be at normal and customary levels.

Sec. 10-149. Reporting requirements; failure to meet loan funding.

(a) Each bank participant shall comply with annual reporting requirements, including but not limited to, statistics on the number and dollar amount of loans originated during the reporting year and the total amount of loans outstanding.

(b) The Director of Finance shall issue an annual report to the County Council to include documenting lending activity and job creation.

(c) In the event that any bank participant does not meet its loan funding goal during any reporting year, the County shall have the right to withdraw the deposit in accordance with a process defined by the regulations promulgated by the Director of Finance.

SECTION 2. BE IT FURTHER ENACTED that the County shall hold at least one (1) community outreach forum to inform the public, banks, and small businesses about the

1 establishment and requirements of the Community Bank Small Business Lending Program.

2 SECTION 3. BE IT FURTHER ENACTED that this Act shall take effect forty-five (45)

3 calendar days after it becomes law.

Adopted this 24th day of July, 2013.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Andrea C. Harrison
Chair

ATTEST:

Redis C. Floyd
Clerk of the Council

APPROVED:

DATE: _____ BY: _____
Rushern L. Baker, III
County Executive

KEY:

Underscoring indicates language added to existing law.

[Brackets] indicate language deleted from existing law.

Asterisks *** indicate intervening existing Code provisions that remain unchanged.

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