sites under § 441B, a loan not exceeding $100,000 and on an equal matching basis with funds of the borrowing subdivision.

462.

(a) The Department may make a loan or grant to a political subdivision to cover part of the eligible project costs of an industrial or commercial redevelopment project. Proceeds of a loan or grant may be:

(1) Expended directly by the political subdivision;

(2) Loaned or granted by the political subdivision; or

(3) Used by the political subdivision to guarantee loans, to a private entity which has made a firm commitment to carry out part or all of an industrial or commercial redevelopment project.

(b) The Department shall make the loan or grant from the fund or from other sources of money authorized by law.

(c) (1) A loan or grant may be for up to 90 percent of the nonfederal and nonprivate portion of the eligible project [cost] COSTS. However, a loan that, as to principal, is to be repaid in full may not exceed $3,000,000. Any other loan or grant may not exceed $2,000,000. The aggregate cumulative total of grants and outstanding principal balance of loans, made to or within any one county or Baltimore City, may not exceed 40% of the aggregate cumulative total of appropriations and payments to the fund, except that the aggregate cumulative total of grants and outstanding principal balance of loans may exceed the 40 percent limitation by an additional sum not to exceed 25 percent of such amount, if the additional sum is restricted to loans made to a political subdivision exclusively for use within an area designated an enterprise zone pursuant to § 266KK-2 of this article. Not more than 50 percent of the cumulative total of appropriations and payments to the fund may be made available as grants or loans to all of the designated enterprise zones in the State.

(2) As determined by the Secretary, the principal of a loan:

(i) May be repayable, in whole or in part, from specified revenues or on a contingency;

(ii) May be noninterest bearing or bear interest at a rate of not more than 1/8 of 1 percent plus the interest cost of the:

1. Most recent State general obligation bond issue preceding approval by the Secretary of the application for the loan for a loan made from sources other than State general obligation bond proceeds; or