

(4) SOCIALLY OR ECONOMICALLY DISADVANTAGED PERSONS OFTEN LACK ADEQUATE CAPITAL AND ARE UNABLE TO OBTAIN FINANCING FROM FINANCIAL INSTITUTIONS TO BEGIN, DEVELOP, EXPAND, AND SUSTAIN AND DEVELOP A FRANCHISE; AND

(5) IT IS IN THE INTEREST OF THE PUBLIC WELFARE AND PURPOSE TO PROMOTE THE CREATION, VIABILITY AND EXPANSION AND VIABILITY OF FRANCHISES HELD AND OPERATED BY SOCIALLY OR ECONOMICALLY DISADVANTAGED PERSONS.

13-237.

THE PURPOSE OF THE VENTURE-CAPITAL EQUITY PARTICIPATION INVESTMENT PROGRAM IS TO ENCOURAGE AND AID IN THE CREATION, DEVELOPMENT, EXPANSION, AND RETENTION AND DEVELOPMENT OF FRANCHISES IN THE STATE HELD AND OPERATED BY SOCIALLY OR ECONOMICALLY DISADVANTAGED PERSONS.

(1) STIMULATE THE FLOW OF PRIVATE EQUITY, VENTURE CAPITAL, AND LONG-TERM LOANS FOR THE SOUND FINANCING OF THE DEVELOPMENT, EXPANSION, AND RETENTION OF SMALL BUSINESSES IN THE STATE; AND

(2) ENCOURAGE THE DEVELOPMENT OF NEW PRODUCTS, DISTRIBUTION METHODS, AND SERVICES BY SMALL BUSINESSES WITHIN THE STATE THROUGH THE INFUSION OF FINANCIAL AID.

13-238.

(A) THERE IS A VENTURE-CAPITAL AN EQUITY PARTICIPATION INVESTMENT PROGRAM IN THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT OF THE STATE.

(B) THE PROGRAM IS ADMINISTERED BY THE MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY.

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FOR THE PURPOSES OF THIS SUBTITLE ADMINISTERING THE PROGRAM, THE AUTHORITY MAY:

(1) PROVIDE VENTURE-CAPITAL EQUITY PARTICIPATION FINANCING FOR THE ESTABLISHMENT, DEVELOPMENT, AND EXPANSION, AND RETENTION AND DEVELOPMENT OF INDEPENDENT AND FRANCHISED ENTERPRISES INVOLVED IN THE MANUFACTURE AND DISTRIBUTION OF PRODUCTS AND SERVICES IN THE STATE, IN ORDER TO ASSIST RECIPIENT SMALL BUSINESSES IN THE DEVELOPMENT OF PRODUCTS, SERVICES, MANAGEMENT PROCEDURES, AND TECHNIQUES;

(2) PROVIDE GUARANTEES TO PROFESSIONAL INVESTORS;

(3) CONTRACT FOR TECHNICAL ASSISTANCE FOR ENTREPRENEURS, INCLUDING THE IDENTIFICATION OF BUSINESS AND FRANCHISE INVESTMENT OPPORTUNITIES IN THE SERVICE, RETAIL, AND MANUFACTURING INDUSTRIES; AND