

AN ACT concerning

State-Operated Financial Programs - Contract Financing
Fund Financial Assistance

FOR the purpose of providing that the performance of a contract for a certain project financed by a State regulated utility is a permissible use, by a certain applicant, for which the Maryland Small Business Development Financing Authority may utilize the Contract Financing Fund to guarantee a loan made to the applicant or a person's proposed equity investment in the applicant, or to loan money to the applicant; making certain stylistic changes; and generally relating to the Contract Financing Fund financial assistance program.

BY repealing and reenacting, with amendments,

Article - Financial Institutions
Section 13-228, 13-229, and 13-230
Annotated Code of Maryland
(1986 Replacement Volume)

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

Article - Financial Institutions

13-228.

(a) The Authority may utilize the Contract Financing Fund to guarantee a loan made to an applicant only if:

(1) The applicant meets the qualifications required by this subtitle;

(2) The loan is to be used to perform a contract for a project [that a federal, State, or local government finances] FINANCED BY THE FEDERAL OR STATE GOVERNMENT, A LOCAL GOVERNMENT, OR A UTILITY REGULATED BY THE PUBLIC SERVICE COMMISSION;

(3) The part of the loan to be guaranteed does not exceed \$250,000; and

(4) The loan to be guaranteed is to be used primarily for working capital.

(b) A guaranty that the Authority makes shall be limited to not more than the term of the government contract, unless the