(b) The Authority may not guarantee the equity investment of a person who:

(1) Previously held an equity investment in the applicant;

(2) Previously participated in the management of the applicant; or

(3) In any other manner is related to:

(i) The applicant; or

(ii) Any of its current stockholders, officers, or other management personnel.

13-230.

(a) The Authority may utilize the Contract Financing Fund to lend money to an applicant only if:

(1) The applicant meets the requirements of this subtitle;

(2) The loan does not exceed $250,000; [and]

(3) The loan is to be used [primarily for working capital] to perform a contract for a project that a federal, State, or local government finances; AND

(4) THE LOAN IS TO BE USED FOR:

(I) WORKING CAPITAL; OR

(II) EQUIPMENT NEEDED TO PERFORM THE CONTRACT, THE COST OF WHICH CAN BE REPAID FROM CONTRACT PROCEEDS, IF THE AUTHORITY HAS ENTERED INTO AN AGREEMENT WITH THE APPLICANT NECESSARY TO SECURE THE LOAN.

(b) A loan that the Authority makes shall mature not later than the term of the government contract, unless the Authority finds that a longer term better carries out the purposes of this subtitle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1987.

Approved June 2, 1987.
