

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

Article - Financial Institutions

13-240.

(a) Under the Program, the Authority may provide equity participation financing, including the purchase of qualified securities issued by a franchise, only after the enterprise has submitted an application that contains a business plan, including:

(1) A description of the franchisee and its management, product, and market;

(2) A statement of the amount, immediacy of need, and projected use of the capital required;

(3) A statement of the potential economic impact of the purchase;

(4) Information that relates to the satisfaction of the applicant's requirements of § 13-231 of this subtitle; and

(5) Any other information the Authority requires.

(b) Under the Program, any equity participation financing shall satisfy the following requirements:

(1) The Authority shall not own securities representing more than 45 percent of the voting stock of any franchisee or own an interest greater than 45 percent in any franchise.

(2) The amount of the Authority's equity participation financing for any franchise shall not exceed \$100,000 and shall not exceed 45 percent of the total initial investment in the franchise.

~~-(3)~~ (3) The total amount of equity participation financing DISBURSED shall not exceed ~~\$1,000,000~~ \$3,000,000 for ~~any 12-month period~~ A CALENDAR YEAR.~~-}~~

~~-(4)-~~ (4) The Authority shall find that there is a reasonable probability that the Authority will recover its initial investment and an adequate return on investment, and the Authority's investment shall be recoverable within 5 years of the equity participation financing.

~~-(5)-~~ (5) The Authority's recovery shall be the greater of the current value of the percentage of the equity