

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

(1) A description of the [franchisee] FRANCHISOR OR EXISTING BUSINESS 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] MAY NOT:

(I) [own] 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; OR

(II) 1. OWN SECURITIES REPRESENTING MORE THAN 25 PERCENT OF THE VOTING STOCK OF ANY ENTERPRISE ACQUIRING AN EXISTING BUSINESS; OR

2. OWN AN INTEREST GREATER THAN 25 PERCENT IN ANY ENTERPRISE ACQUIRING AN EXISTING BUSINESS.

(2) The amount of the Authority's equity participation financing [for any franchise shall not] MAY NOT:

(I) [exceed] EXCEED \$100,000 [and shall] FOR ANY FRANCHISE AND MAY not exceed 45 percent of the total initial investment in the franchise; OR

(II) EXCEED \$500,000 FOR ANY ENTERPRISE ACQUIRING AN EXISTING BUSINESS AND MAY NOT EXCEED 25 PERCENT OF THE TOTAL INVESTMENT IN THE ENTERPRISE ACQUIRING AN EXISTING BUSINESS.

(3) The total amount of equity participation financing disbursed [shall] MAY not exceed \$3,000,000 for a calendar year.