

## SUBTITLE 5. ENTERPRISE FUND.

[1-205.1.] 5-501.

(a) In this section the term "Fund" means the Enterprise Fund established under this section.

(b) Where the Department is otherwise authorized by law to make grants, the Department may require repayment, with interest at a rate to be determined by the Department, of all or a portion of a grant upon the occurrence of conditions specified by the Department.

(c) (1) Where the Department is otherwise authorized by law to make grants, including grants authorized under § 7-314 of the State Finance and Procurement Article, the Department may use moneys appropriated for grants to provide equity investment financing for a business enterprise.

(2) In providing equity investment financing under this subsection, the Department may not acquire an ownership interest in the enterprise in which the equity investment is made that exceeds 25 percent.

(3) The Department shall divest itself from any enterprise in which an equity investment is made under this subsection within 15 years after making the investment.

(4) The liability of the State and of the Department in providing equity investment financing under this subsection is limited to its investments under this subsection.

(5) The Department shall adopt regulations specifying:

(i) The types of business enterprises in which investments may be made under this subsection and the basic standards an enterprise is required to meet to qualify for investments under this subsection; and

(ii) The amount of funds available for investments under this subsection and the criteria upon which investment decisions will be made by the Department.

[(d) There is an Enterprise Fund in the Department established as a nonlapsing, revolving special fund managed and supervised by the Secretary.

(e) The Fund may consist of any of the following:

(1) Moneys appropriated by the State to the Fund;

(2) Moneys made available to the Fund through appropriate federal programs or private contributions;

(3) Income from investments that the State Treasurer makes from moneys in the Fund;

(4) Repayments of principal and interest from loans made from the Fund;