

5-1043.

The purpose of the Equity Participation Investment Program is:

(1) [to] TO encourage and aid in the creation and development of franchises and technology-based businesses, and in the acquisition of existing businesses, in the State by socially or economically disadvantaged persons; AND

(2) TO ASSIST SMALL BUSINESSES THAT, BECAUSE THEY DO NOT MEET THE ESTABLISHED CREDIT CRITERIA OF FINANCIAL INSTITUTIONS, ARE UNABLE TO OBTAIN ADEQUATE BUSINESS FINANCING ON REASONABLE TERMS THROUGH NORMAL FINANCING CHANNELS.

5-1046.

(f) If the applicant enterprise is an individual, the applicant shall satisfy the Authority that:

(1) The applicant is of good moral character;

(2) As determined from creditors, employers, and other individuals who have personal knowledge of the applicant, the applicant has a reputation for financial responsibility;

(3) The applicant is a resident of Maryland or the applicant's principal place of business is in Maryland; and

(4) The applicant is unable to obtain adequate business financing on reasonable terms through normal lending channels because the applicant:

(i) Belongs to a group that historically has been deprived of access to normal economic or financial resources because of race, color, creed, sex, religion, or national origin;

(ii) Has an identifiable physical handicap that severely limits the ability of the applicant to obtain financial assistance, but does not limit the ability of the applicant to perform the contract or other activity for which the applicant would be receiving financial assistance; [or]

(iii) Has any other social or economic impediment that is beyond the personal control of the applicant, such as lack of formal education or financial capacity or geographical or regional economic distress but that does not limit the ability of the applicant to perform the contract or other activity for which the applicant would be receiving financial assistance; OR

(IV) DOES NOT MEET THE ESTABLISHED CREDIT OR INVESTMENT CRITERIA OF AT LEAST ONE FINANCIAL INSTITUTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2001.

Approved April 20, 2001.