

(ii) A business that has received or will receive a day care loan insured by the Maryland Industrial Development Financing Authority; such businesses shall be limited to financial assistance from the Fund of not more than 20% of the costs described in item (i) of this paragraph;

(6) If [incurred by a local government] SUPPORTED BY A RESOLUTION ADOPTED BY THE GOVERNING BODY OF THE JURISDICTION IN WHICH A PROJECT MAY BE LOCATED, costs of feasibility studies; and

(7) Up to 50% of the costs of preparing a county's or municipality's strategy or plan for economic development, not to exceed a total of \$50,000 in a 3-year period.

(c) (1) Financial assistance from the Fund:

(i) May not exceed the lesser of \$10,000,000 or 20% of the Fund balance;

(ii) Except as provided in item (iii) of this paragraph, may not exceed 70% of the total costs of the project being financed;

(iii) May constitute 100% of the total costs of the project being financed if:

1. The recipient is the Maryland Economic Development Corporation; or

2. The financial assistance is for an arts and entertainment enterprise or arts and entertainment project;

(iv) If a loan for a significant strategic economic development opportunity or for a specialized economic development opportunity, shall carry an interest rate below the market rate of interest, as determined by the Department;

(v) If a loan for a local economic development opportunity or to a local government, shall carry an interest rate not exceeding one-eighth of one percent plus the net interest cost of the most recent State general obligation bond issue preceding the approval of the loan;

(vi) Shall not bear a rate of interest less than 3% unless the project funded by a loan is located in an area of high unemployment or the Department determines that the borrower is carrying out a compelling economic development initiative; and

(vii) May not be used to refinance existing debt.

(2) Loans from the Fund may not be for a term exceeding:

(i) For working capital – 3 years;

(ii) For financing machinery, equipment, furnishings, or fixtures – the lesser of 15 years or the useful life of the asset, as determined by the Department;