

of the applicant to perform the contract or other activity for which the applicant would be receiving financial assistance;

(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.

(g) If the applicant enterprise is other than a sole proprietorship, at least 51 percent of the enterprise shall be owned by individuals who meet the qualifications for applicants under subsection (f) of this section.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article 83A - Department of Business and Economic Development

5-1035.

(a) Subject to the restrictions of this Part VI, the Authority, on application, may guarantee any surety up to the lesser of 90 percent or [\$5,000,000] \$1,350,000 of its losses incurred under a bid bond, a payment bond, or a performance bond on any contract financed by the federal government or a state government, a local government, a private entity, or a utility regulated by the Public Service Commission.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect on the taking effect of the termination provision specified in Section 4 of Chapter 299 of the Acts of the General Assembly of 2006. This Act may not be interpreted to have any effect on that termination provision.

SECTION 4. AND BE IT FURTHER ENACTED, That the Maryland Small Business Development Financing Authority shall:

(1) include in the annual reports required to be made by December 31, 2007, and December 31, 2008, under Article 83A, § 5-1011 of the Code an evaluation of the impact of the changes enacted by Section 1 of this Act in the levels of assistance the Authority may provide, on:

(i) the number and amounts of loans and guarantees made by the Authority during the periods covered by the reports; and