

SB3807



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB3807

Introduced 2/9/2024, by Sen. Celina Villanueva

SYNOPSIS AS INTRODUCED:

30 ILCS 750/9-4.3

from Ch. 127, par. 2709-4.3

Amends the Build Illinois Act. Provides that the amount of small business loans made to minority persons, veterans, females, or persons with a disability under the Act shall not exceed \$2,000,000 (rather than \$400,000) or 50% of the business project costs unless the Director of Commerce and Economic Development determines that a waiver of these limits is required to meet the purposes of the Act. Provides that eligible projects under those provisions include refinancing current debt if the loan will refinance a loan previously made by a lender that is unaffiliated with the financial intermediary making the new loan and the proceeds of the refinance transaction are not used to finance an extraordinary dividend or other distribution.

LRB103 38516 MXP 68652 b

A BILL FOR

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Build Illinois Act is amended by changing
5 Section 9-4.3 as follows:

6 (30 ILCS 750/9-4.3) (from Ch. 127, par. 2709-4.3)

7 Sec. 9-4.3. Minority, veteran, female and disability
8 loans.

9 (a) In the making of loans for minority, veteran, female
10 or disability small businesses, as defined below, the
11 Department is authorized to employ different criteria in lieu
12 of the general provisions of subsections (b), (d), (e), (f),
13 (h), and (i) of Section 9-4.

14 Minority, veteran, female or disability small businesses,
15 for the purpose of this Section, shall be defined as small
16 businesses that are, in the Department's judgment, at least
17 51% owned and managed by one or more persons who are minority
18 or female or who have a disability or who are veterans.

19 (b) Loans made pursuant to this Section:

20 (1) Shall not exceed \$2,000,000 ~~\$400,000~~ or 50% of the
21 business project costs unless the Director of the
22 Department determines that a waiver of these limits is
23 required to meet the purposes of this Act.

1 (2) Shall only be made if, in the Department's
2 judgment, the number of jobs to be created or retained is
3 reasonable in relation to the loan funds requested.

4 (3) Shall be protected by security. Financial
5 assistance may be secured by first, second or subordinate
6 mortgage positions on real or personal property, by
7 royalty payments, by personal notes or guarantees, or by
8 any other security satisfactory to the Department to
9 secure repayment. Security valuation requirements, as
10 determined by the Department, for the purposes of this
11 Section, may be less than required for similar loans not
12 covered by this Section, provided the applicants
13 demonstrate adequate business experience, entrepreneurial
14 training or combination thereof, as determined by the
15 Department.

16 (4) Shall be in such principal amount and form and
17 contain such terms and provisions with respect to
18 security, insurance, reporting, delinquency charges,
19 default remedies, and other matters as the Department
20 shall determine appropriate to protect the public interest
21 and consistent with the purposes of this Section. The
22 terms and provisions may be less than required for similar
23 loans not covered by this Section.

24 (5) Notwithstanding anything in this Act to the
25 contrary, eligible projects include, but are not limited
26 to, refinancing current debt if the loan will refinance a

1 loan previously made by a lender that is unaffiliated with
2 the financial intermediary making the new loan and if the
3 proceeds of the refinance transaction are not used to
4 finance an extraordinary dividend or other distribution.

5 (Source: P.A. 99-143, eff. 7-27-15; 100-377, eff. 8-25-17.)