

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 9-4.2 and by adding Section 9-4.2a as follows:

6 (30 ILCS 750/9-4.2) (from Ch. 127, par. 2709-4.2)

7 Sec. 9-4.2. Illinois Capital Revolving Loan Fund.

8 (a) There is hereby created the Illinois Capital Revolving  
9 Loan Fund, hereafter referred to in this Article as the  
10 "Capital Fund" to be held as a separate fund within the State  
11 Treasury.

12 The purpose of the Capital Fund is to finance intermediary  
13 agreements, administration, technical assistance agreements,  
14 loans, grants, or investments in Illinois. In addition, funds  
15 may be used for a one time transfer in fiscal year 1994, not to  
16 exceed the amounts appropriated, to the Public Infrastructure  
17 Construction Loan Revolving Fund for grants and loans pursuant  
18 to the Public Infrastructure Loan and Grant Program Act.  
19 Investments, administration, grants, and financial aid shall  
20 be used for the purposes set for in this Article. Loan  
21 financing will be in the form of loan agreements pursuant to  
22 the terms and conditions set forth in this Article. All loans  
23 shall be conditioned on the project receiving financing from  
24 participating lenders or other investors. Loan proceeds shall  
25 be available for project costs, except for debt refinancing.

26 (b) There shall be deposited in the Capital Fund such  
27 amounts, including but not limited to:

28 (i) All receipts, including dividends, principal and  
29 interest payments and royalties, from any applicable loan,  
30 intermediary, or technical assistance agreement made from  
31 the Capital Fund or from direct appropriations from the  
32 Build Illinois Bond Fund or the Build Illinois Purposes

1        Fund or the General Revenue Fund by the General Assembly  
2 entered into by the Department;

3            (ii) All proceeds of assets of whatever nature received  
4 by the Department as a result of default or delinquency  
5 with respect to loan agreements made from the Capital Fund  
6 or from direct appropriations by the General Assembly,  
7 including proceeds from the sale, disposal, lease or rental  
8 of real or personal property which the Department may  
9 receive as a result thereof;

10          (iii) Any appropriations, grants or gifts made to the  
11 Capital Fund;

12          (iv) Any income received from interest on investments  
13 of moneys in the Capital Fund;

14          (v) All moneys resulting from the collection of  
15 premiums, fees, charges, costs, and expenses described in  
16 subsection (e) of Section 9-3.

17          (c) The Treasurer may invest moneys in the Capital Fund in  
18 securities constituting obligations of the United States  
19 Government, or in obligations the principal of and interest on  
20 which are guaranteed by the United States Government, in  
21 obligations the principal of and interest on which are  
22 guaranteed by the United States Government, or in certificates  
23 of deposit of any State or national bank which are fully  
24 secured by obligations guaranteed as to principal and interest  
25 by the United States Government.

26          (Source: P.A. 88-422.)

27          (30 ILCS 750/9-4.2a new)

28          Sec. 9-4.2a. Rural micro-business loans.

29          (a) In order to increase the growth of small rural  
30 businesses, the rural micro-business loan program is created  
31 and shall be administered by the Department of Commerce and  
32 Economic Opportunity. This program shall help small businesses  
33 that lack sufficient collateral or equity access funds at  
34 competitive terms to help create or retain jobs, modernize  
35 equipment or facilities, and maintain their competitiveness.

1       (b) In the making of loans for rural micro-businesses, as  
2 defined below, the Department is authorized to employ different  
3 criteria in lieu of the general provisions of subsections (b),  
4 (d), (e), (f), (h), and (i) of Section 9-4. The Department  
5 shall adopt rules for the administration of this program.

6       For purposes of this Section, "rural micro-business" means  
7 a business that: (i) employs 5 or fewer full-time employees,  
8 including the owner if the owner is an employee, and (ii) is  
9 based on the production, processing, or marketing of  
10 agricultural products, forest products, cottage and craft  
11 products, or tourism.

12       (c) The Department shall determine by rule the amount,  
13 term, interest rate, and allowable uses of loans awarded under  
14 this program, except that:

15           (1) The loan shall not exceed \$25,000 or 50% of the  
16 business project costs, unless the Director of the  
17 Department determines that a waiver of these limits is  
18 required to meet the purposes of this Act.

19           (2) The loan shall only be made if the Department  
20 determines that the number of jobs to be created or  
21 retained by the business is reasonable in relation to the  
22 loan funds requested.

23           (3) The borrower shall provide a written statement of  
24 the funds required to establish or support the business and  
25 shall provide equity capital in an amount equal to 10% of  
26 the first \$10,000 of the required funds and equity capital,  
27 other loans, or leveraged capital, or any combination  
28 thereof, in an amount equal to 50% of any additional  
29 required funds.

30           (4) The loan shall be in a principal amount and form  
31 and contain terms and provisions with respect to security,  
32 insurance, reporting, delinquency charges, default  
33 remedies, and other matters that the Department determines  
34 are appropriate to protect the public interest and are  
35 consistent with the purposes of this Section. The terms and  
36 provisions may be less than required for similar loans not

1 covered by this Section.

2 (5) The Department shall award no less than 80% of the  
3 amount available for this program for loans to businesses  
4 that are located in counties with a population of 100,000  
5 or less.

6 Section 99. Effective date. This Act takes effect upon  
7 becoming law.