

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 adding
5 Section 9-4.7 as follows:

6 (30 ILCS 750/9-4.7 new)

7 Sec. 9-4.7. Military Reservist Business Assistance Loan
8 Program.

9 (a) As used in this Section:

10 "Period of military conflict" means (i) a period of war
11 declared by Congress; (ii) a period of national emergency
12 declared by Congress or by the President; or (iii) a period in
13 which a member of a reserve component of the armed forces of
14 the United States is ordered to active duty pursuant to Section
15 12304 of Title 10 of the United States Code.

16 "Owner" means a person with at least a 20% ownership
17 interest in a small business.

18 "Key employee" means an individual who is employed by a
19 small business and whose managerial or technical expertise is
20 critical to the successful day-to-day operation of the
21 business.

22 "Small business" means a business with 50 or fewer
23 employees.

24 "Substantial economic injury" means an economic harm to a
25 small business that results in the inability of the small
26 business to (i) meet its obligations as they mature; (ii) pay
27 its ordinary and necessary operating expenses; or (iii) market,
28 produce, or provide a product or service.

29 (b) In the making of military reservist business assistance
30 loans, the Department is authorized to employ different
31 criteria in lieu of the general provisions of subsections (b),
32 (d), (e), (f), (h), and (i) of Section 9-4.

1 (c) From funds appropriated for that purpose, the
2 Department shall administer a Military Reservist Business
3 Assistance Loan Program. The Director shall make loans to small
4 businesses (i) that lose an owner or a key employee due to a
5 period of military conflict and (ii) that will experience
6 substantial economic injury as a result of the loss of that
7 owner or key employee.

8 (d) The Department may accept grants, loans, or
9 appropriations from the federal government or from any private
10 entity to be used for the purposes of this program and may
11 enter into contracts and agreements in connection with those
12 grants, loans, or appropriations.

13 (e) Loans made pursuant to this Section:

14 (1) Shall not exceed \$150,000.

15 (2) Shall have an interest rate below the market rate
16 loan percent.

17 (3) Shall have repayment terms determined by the
18 Department and that do not exceed 30 years.

19 (4) Shall be protected by security. Financial
20 assistance may be secured by first, second, or subordinate
21 mortgage positions on real or personal property, by royalty
22 payments, by personal notes or guarantees, or by any other
23 security satisfactory to the Department to secure
24 repayment. Security valuation requirements, as determined
25 by the Department, for the purposes of this Section, may be
26 less than required for similar loans not covered by this
27 Section, provided the applicant demonstrates adequate
28 business experience, entrepreneurial training, or a
29 combination thereof, as determined by the Department.

30 (5) Shall be in the principal amount and form and
31 contain the 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
35 consistent with the purposes of this Section.

36 (f) The Department shall not award any loan under this

1 Section to: (i) a small business or subsidiary of that business
2 that has already been awarded a loan under this Section within
3 the same fiscal year; or (ii) a small business that was awarded
4 a loan under this Section on which the balance remains unpaid.

5 (g) Within 30 days after the owner or key employee returns
6 to non-active duty status, arrangements shall be made for the
7 repayment of the loan.

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.