



Sen. Linda Holmes

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LRB096 20657 DRJ 38124 a

1 AMENDMENT TO SENATE BILL 3817

2 AMENDMENT NO. _____. Amend Senate Bill 3817 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Build Illinois Act is amended by changing
5 Sections 9-2 and 9-4.3 as follows:

6 (30 ILCS 750/9-2) (from Ch. 127, par. 2709-2)

7 Sec. 9-2. Definitions. The following terms, whenever used
8 or referred to in this Article, shall have the following
9 meanings ascribed to them, except where the context clearly
10 requires otherwise:

11 (a) "Financial intermediary" means a community development
12 corporation, a state development credit corporation, a
13 development authority authorized to do business by an act of
14 this State, or other public or private financing institution
15 approved by the Department whose purpose includes financing,
16 promoting, or encouraging economic development.

1 (b) "Participating lender" means any trust company, bank,
2 savings bank, credit union, merchant bank, investment bank,
3 broker, investment trust, pension fund, building and loan
4 association, savings and loan association, insurance company,
5 venture capital company or other institution approved by the
6 Department which assumes a portion of the financing for a
7 business project.

8 (c) "Department" means the Illinois Department of Commerce
9 and Economic Opportunity.

10 (d) "Small business" means any for-profit business in
11 Illinois including, but not limited to, any sole
12 proprietorship, partnership, corporation, joint venture,
13 association or cooperative, which has, including its
14 affiliates, less than 500 full time employees, or is determined
15 by the Department to be not dominant in its field.

16 Business concerns are affiliates of one another when either
17 directly or indirectly (i) one concern controls or has the
18 power to control the other, or (ii) a third party or parties
19 controls or has the power to control both. Control can be
20 exercised through common ownership, common management and
21 contractual relationships.

22 (e) "Qualified security" means any note, stock,
23 convertible security, treasury stock, bond, debenture,
24 evidence of indebtedness, limited partnership interest,
25 certificate of interest or participation in any profit-sharing
26 agreement, preorganization certificate or subscription,

1 transferable share, investment contract, certificate of
2 deposit for a security, certificate of interest or
3 participation in a patent or application therefor, or in
4 royalty or other payments under such a patent or application,
5 or, in general, any interest or instrument commonly known as a
6 "security" or any certificate for, receipt for, guarantee of,
7 or option, warrant or right to subscribe to or purchase any of
8 the foregoing, but not including any instrument which contains
9 voting rights or can be converted to contain voting rights in
10 the possession of the Department.

11 (f) "Loan agreement" means an agreement or contract to
12 provide a loan or accept a mortgage or to purchase qualified
13 securities or other means whereby financial aid is made
14 available to a start-up, expanding, or mature, moderate risk
15 small business.

16 (g) "Loan" means a loan or acceptance of a mortgage or the
17 purchase of qualified securities or other means whereby
18 financial aid is made to a start-up, expanding, or mature,
19 moderate risk small business.

20 (h) "Equity investment agreement" means an agreement or
21 contract to provide a loan or accept a mortgage or to purchase
22 qualified securities or other means whereby financial aid is
23 made available to or on behalf of a young, high risk,
24 technology based small business.

25 (i) "Equity investment" means a loan or acceptance of a
26 mortgage or the purchase of qualified securities or other means

1 whereby financial aid is made to or on behalf of a young, high
2 risk, technology based small business.

3 (j) "Project" means any specific economic development
4 activity of a commercial, industrial, manufacturing,
5 agricultural, scientific, service or other business, the
6 result of which is expected to yield an increase in or
7 retention of jobs or the modernization or improvement of
8 competitiveness of firms and may include working capital
9 financing, the purchase or lease of machinery and equipment, or
10 the lease or purchase of real property but does not include
11 refinancing current debt.

12 (k) "Technical assistance agreement" means an agreement or
13 contract or other means whereby financial aid is made available
14 to not-for-profit organizations for the purposes outlined in
15 Section 9-6 of this Article.

16 (l) "Financial intermediary agreement" means an agreement
17 or contract to provide a loan, investment, or other financial
18 aid to a financial intermediary for the purposes outlined in
19 Section 9-4.4 of this Article.

20 (m) "Equity intermediary agreement" means an agreement or
21 contract to provide a loan, investment, or other financial aid
22 to a financial intermediary for the purposes outlined in
23 Section 9-5.3 of this Article.

24 (n) "Other investor" means a venture capital organization
25 or association; an investment partnership, trust or bank; an
26 individual, accounting partnership or corporation that invests

1 funds, or any other entity which provides debt or equity
2 financing for a business project.

3 (o) "Veteran" means an Illinois resident who has served as
4 a member of the United States Armed Forces on active duty or
5 State active duty, a member of the Illinois National Guard, or
6 a member of the United States Reserve Forces and who has
7 received an honorable discharge.

8 (Source: P.A. 94-793, eff. 5-19-06.)

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

10 Sec. 9-4.3. Minority, veteran, female and disability
11 loans.

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

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

22 (b) Loans made pursuant to this Section:

23 (1) Shall not exceed \$100,000 or 50% of the business
24 project costs unless the Director of the Department
25 determines that a waiver of these limits is required to

1 meet the purposes of this Act.

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

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

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

24 (Source: P.A. 95-97, eff. 1-1-08.)

25 Section 99. Effective date. This Act takes effect upon

1 becoming law.".