

AN ACT concerning State government.

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

Section 5. The Build Illinois Act is amended by changing Section 9-4.2 and by adding Section 9-4.2a as follows:

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

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

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

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

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

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

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

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

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

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

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

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

(Source: P.A. 88-422.)

(30 ILCS 750/9-4.2a new)

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

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

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

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

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

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

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

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

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

covered by this Section.

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

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