

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 Sections 9-2 and 9-4.3 as follows:

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

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

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

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

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

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

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

(e) "Qualified security" means any note, stock, convertible security, treasury stock, bond, debenture, evidence of indebtedness, limited partnership interest, certificate of interest or participation in any profit-sharing agreement, preorganization certificate or subscription, transferable share, investment contract, certificate of deposit for a security, certificate of interest or participation in a patent or application therefor, or in royalty or other payments under such a patent or application, or, in general, any interest or instrument commonly known as a "security" or any certificate for, receipt for, guarantee of, or option, warrant or right to subscribe to or purchase any of

the foregoing, but not including any instrument which contains voting rights or can be converted to contain voting rights in the possession of the Department.

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

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

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

(i) "Equity investment" means a loan or acceptance of a mortgage or the purchase of qualified securities or other means whereby financial aid is made to or on behalf of a young, high risk, technology based small business.

(j) "Project" means any specific economic development activity of a commercial, industrial, manufacturing, agricultural, scientific, service or other business, the result of which is expected to yield an increase in or retention of jobs or the modernization or improvement of

competitiveness of firms and may include working capital financing, the purchase or lease of machinery and equipment, or the lease or purchase of real property but does not include refinancing current debt.

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

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

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

(n) "Other investor" means a venture capital organization or association; an investment partnership, trust or bank; an individual, accounting partnership or corporation that invests funds, or any other entity which provides debt or equity financing for a business project.

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

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

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

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

(a) In the making of loans for minority, veteran, female or disability small 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.

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

(b) Loans made pursuant to this Section:

(1) Shall not exceed \$100,000 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) Shall only be made if, in the Department's judgment, the number of jobs to be created or retained is reasonable in relation to the loan funds requested.

(3) Shall be protected by security. Financial assistance may be secured by first, second or subordinate mortgage positions on real or personal property, by royalty

payments, by personal notes or guarantees, or by any other security satisfactory to the Department to secure repayment. Security valuation requirements, as determined by the Department, for the purposes of this Section, may be less than required for similar loans not covered by this Section, provided the applicants demonstrate adequate business experience, entrepreneurial training or combination thereof, as determined by the Department.

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

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

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