



Sen. John M. Sullivan

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09400SB0015sam001

LRB094 06888 MKM 44623 a

1 AMENDMENT TO SENATE BILL 15

2 AMENDMENT NO. _____. Amend Senate Bill 15 by replacing
3 everything after the enacting clause with the following:

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

1 be available for project costs, except for debt refinancing.

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

4 (i) All receipts, including dividends, principal and
5 interest payments and royalties, from any applicable loan,
6 intermediary, or technical assistance agreement made from
7 the Capital Fund or from direct appropriations from the
8 Build Illinois Bond Fund or the Build Illinois Purposes
9 Fund or the General Revenue Fund by the General Assembly
10 entered into by the Department;

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

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

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

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

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

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

1 (30 ILCS 750/9-4.2a new)

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

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

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

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

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

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

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

32 (3) The borrower shall provide a written statement of
33 the funds required to establish or support the business and

1 shall provide equity capital in an amount equal to 10% of
2 the first \$10,000 of the required funds and equity capital,
3 other loans, or leveraged capital, or any combination
4 thereof, in an amount equal to 50% of any additional
5 required funds.

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

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

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