

1 AN ACT concerning finance.

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 changing
5 Sections 9-3, 9-4, 9-4.2, and 9-4.3 and by adding Section 9-4.8
6 as follows:

7 (30 ILCS 750/9-3) (from Ch. 127, par. 2709-3)

8 Sec. 9-3. Powers and duties. The Department has the power:

9 (a) To make loans or equity investments to small
10 businesses, and to make loans or grants or investments to or
11 through financial intermediaries. The loans and investments
12 shall be made from appropriations from the Build Illinois Bond
13 Fund, Illinois Capital Revolving Loan Fund, State Small
14 Business Credit Initiative Fund, or Illinois Equity Revolving
15 Fund for the purpose of promoting the creation or retention of
16 jobs within small businesses or to modernize or maintain
17 competitiveness of firms in Illinois. The grants shall be made
18 from appropriations from the Build Illinois Bond Fund or
19 Illinois Capital Revolving Loan Fund for the purpose of
20 technical assistance.

21 (b) To make loans to or investments in businesses that have
22 received federal Phase I Small Business Innovation Research
23 grants as a bridge while awaiting federal Phase II Small

1 Business Innovation Research grant funds.

2 (c) To enter into interagency agreements, accept funds or
3 grants, and engage in cooperation with agencies of the federal
4 government, local units of government, universities, research
5 foundations, political subdivisions of the State, financial
6 intermediaries, and regional economic development corporations
7 or organizations for the purposes of carrying out this Article.

8 (d) To enter into contracts, financial intermediary
9 agreements, or any other agreements or contracts with financial
10 intermediaries necessary or desirable to further the purposes
11 of this Article. Any such agreement or contract may include,
12 without limitation, terms and provisions including, but not
13 limited to loan documentation, review and approval procedures,
14 organization and servicing rights, and default conditions.

15 (e) To fix, determine, charge and collect any premiums,
16 fees, charges, costs and expenses, including without
17 limitation, any application fees, commitment fees, program
18 fees, financing charges, collection fees, training fees, or
19 publication fees in connection with its activities under this
20 Article and to accept from any source any gifts, donations, or
21 contributions of money, property, labor, or other things of
22 value to be held, used, and applied to carry out the purposes
23 of this Article. All fees, charges, collections, gifts,
24 donations, or other contributions shall be deposited into the
25 Illinois Capital Revolving Loan Fund, or the State Small
26 Business Credit Initiative Fund.

1 (f) To establish application, notification, contract, and
2 other forms, procedures, rules or regulations deemed necessary
3 and appropriate.

4 (g) To consent, subject to the provisions of any contract
5 with another person, whenever it deems it necessary or
6 desirable in the fulfillment of the purposes of this Article,
7 to the modification or restructuring of any financial
8 intermediary agreement, loan agreement or any equity
9 investment agreement to which the Department is a party.

10 (h) To take whatever actions are necessary or appropriate
11 to protect the State's interest in the event of bankruptcy,
12 default, foreclosure, or noncompliance with the terms and
13 conditions of financial assistance or participation provided
14 hereunder or to otherwise protect or affect the State's
15 interest, including the power to sell, dispose, lease or rent,
16 upon terms and conditions determined by the Director to be
17 appropriate, real or personal property which the Department may
18 receive as a result thereof.

19 (i) To deposit any "Qualified Securities" which have been
20 received by the Department as the result of any financial
21 intermediary agreement, loan, or equity investment agreement
22 executed in the carrying out of this Act, with the Office of
23 the State Treasurer and held by that office until agreement to
24 transfer such qualified security shall be certified by the
25 Director of Commerce and Economic Opportunity.

26 (j) To assist small businesses that seek to apply for

1 public or private capital in preparing the application and to
2 supply them with grant information, plans, reports,
3 assistance, or advice on development finance and to assist
4 financial intermediaries and participating lenders to build
5 capacity to make debt or equity investments through
6 conferences, workshops, seminars, publications, or any other
7 media.

8 (k) To provide for staff, administration, and related
9 support required to manage the programs authorized under this
10 Article and pay for staffing and administration from the
11 Illinois Capital Revolving Loan Fund, or the State Small
12 Business Credit Initiative Fund, as appropriated by the General
13 Assembly. Administration responsibilities may include, but are
14 not limited to, research and identification of credit
15 disadvantaged groups; design of comprehensive statewide
16 capital access plans and programs addressing capital gap and
17 capital marketplace structure and information barriers;
18 direction, management, and control of specific projects; and
19 communicate and cooperation with public development finance
20 organizations and private debt and equity sources.

21 (l) To exercise such other powers as are necessary or
22 incidental to the foregoing.

23 (Source: P.A. 94-91, eff. 7-1-05.)

24 (30 ILCS 750/9-4) (from Ch. 127, par. 2709-4)

25 Sec. 9-4. Intermediary agreements and loans. Any loan made

1 pursuant to this Article shall:

2 (a) Be made only if a participating lender or other
3 investor also provides a portion of the financing with respect
4 to the project. The participating lender's or other investor's
5 risk assumption may be in the form of a loan, letter of credit,
6 guarantee, loan participation, bond purchase, or any other form
7 approved by the Department;

8 (b) Finance no more than the lesser of 25% of the total
9 amount of any single project, or \$2,000,000 ~~\$750,000~~ for any
10 single project, unless such limitations are waived by the
11 Director, upon a finding that such waiver is appropriate to
12 accomplish the purposes of this Article;

13 (c) Be made only if the Department determines, on the basis
14 of all information available to it, that the project would not
15 be undertaken unless the loan is provided;

16 (d) Be protected by security which may include, as
17 available, first or second mortgage positions on real or
18 personal property, royalty payments on sales of products or
19 services, or any other security satisfactory to the Department
20 to secure payment of the loan agreement. Personal notes or
21 guarantees may be required from persons owning more than 20
22 percent of the small business;

23 (e) Be in such amount and form and contain such terms and
24 provisions with respect to property insurance, repairs,
25 alterations, payment of taxes and assessments, delinquency
26 charges, default remedies, additional security, and other

1 matters as the Department shall determine adequate to protect
2 the public interest;

3 (f) Be made to a business approved by the Department as
4 responsible and creditworthy;

5 (g) Be reviewed by the credit review committee established
6 by the Department pursuant to this Article;

7 (h) Be made only after the Department has made a
8 determination that the loan agreement will cause a project to
9 be undertaken which has the potential to create or retain
10 substantial employment or to modernize or improve the
11 competitiveness of the firm in relation to the amount of the
12 loan;

13 (i) Be made with businesses that have certified the project
14 is a new plant start-up, modernization, or expansion or a new
15 venture opportunity and is not relocation of an existing
16 business from another site within the State unless that
17 relocation results in substantial employment growth.

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

19 (30 ILCS 750/9-4.2) (from Ch. 127, par. 2709-4.2)

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

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

25 The purpose of the Capital Fund is to finance intermediary

1 agreements, administration, technical assistance agreements,
2 loans, grants, or investments in Illinois. In addition, funds
3 may be used for a one time transfer in fiscal year 1994, not to
4 exceed the amounts appropriated, to the Public Infrastructure
5 Construction Loan Revolving Fund for grants and loans pursuant
6 to the Public Infrastructure Loan and Grant Program Act.
7 Investments, administration, grants, and financial aid shall
8 be used for the purposes set for in this Article. Loan
9 financing will be in the form of loan agreements pursuant to
10 the terms and conditions set forth in this Article. All loans
11 shall be conditioned on the project receiving financing from
12 participating lenders or other investors. Loan proceeds shall
13 be available for project costs, except for debt refinancing.

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

16 (i) All receipts, including dividends, principal and
17 interest payments and royalties, from any applicable loan,
18 intermediary, or technical assistance agreement made from
19 the Capital Fund or from direct appropriations from the
20 Build Illinois Bond Fund or the Build Illinois Purposes
21 Fund (now abolished) or the General Revenue Fund by the
22 General Assembly entered into by the Department;

23 (ii) All proceeds of assets of whatever nature received
24 by the Department as a result of default or delinquency
25 with respect to loan agreements made from the Capital Fund
26 or from direct appropriations by the General Assembly,

1 including proceeds from the sale, disposal, lease or rental
2 of real or personal property which the Department may
3 receive as a result thereof;

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

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

8 (v) All moneys resulting from the collection of
9 premiums, fees, charges, costs, and expenses in connection
10 with the Capital Fund as described in subsection (e) of
11 Section 9-3.

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

21 (Source: P.A. 94-91, eff. 7-1-05; 94-392, eff. 8-1-05; 95-331,
22 eff. 8-21-07.)

23 (30 ILCS 750/9-4.3) (from Ch. 127, par. 2709-4.3)

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

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

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

11 (b) Loans made pursuant to this Section:

12 (1) Shall not exceed \$400,000 ~~\$100,000~~ or 50% of the
13 business project costs unless the Director of the
14 Department determines that a waiver of these limits is
15 required to meet the purposes of this Act.

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

19 (3) 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

1 Section, provided the applicants demonstrate adequate
2 business experience, entrepreneurial training or
3 combination thereof, as determined by the Department.

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

12 (Source: P.A. 99-143, eff. 7-27-15.)

13 (30 ILCS 750/9-4.8 new)

14 Sec. 9-4.8. State Small Business Credit Initiative Fund.

15 (a) There is hereby created the State Small Business Credit
16 Initiative Fund, also referred to in this Article as the "SSBCI
17 Fund", as a special fund in the State treasury.

18 The purpose of the SSBCI Fund is to finance intermediary
19 agreements, administration, technical assistance agreements,
20 loans, grants, or investments in Illinois. Investments,
21 administration grants, and financial aid shall be used for the
22 purposes set forth in this Article. Loan financing shall be in
23 the form of loan agreements pursuant to the terms and
24 conditions set forth in this Article. All loans shall be
25 conditioned on the project receiving financing from

1 participating lenders or other investors.

2 (b) The following amounts shall be deposited into the SSBCI
3 Fund:

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

10 (2) all proceeds of assets of whatever nature received
11 by the Department as a result of default or delinquency
12 with respect to a loan agreement made from the SSBCI Fund
13 or from direct appropriations by the General Assembly,
14 including proceeds from the sale, disposal, lease, or
15 rental of real or personal property that the Department may
16 receive as a result thereof;

17 (3) any appropriations, grants, or gifts made to the
18 SSBCI Fund;

19 (4) any income received from interest on investments of
20 moneys in the SSBCI Fund;

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

24 (c) The Treasurer may invest moneys in the SSBCI Fund in
25 securities constituting obligations of the United States
26 Government, or in obligations the principal of and interest on

1 which are guaranteed by the United States Government, or in
2 certificates of deposit of any State or national bank which are
3 fully-secured by obligations guaranteed as to principal and
4 interest by the United States Government.

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