



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB5906

by Rep. Ronald A. Wait - Elizabeth Coulson - Sidney H. Mathias
- Ruth Munson - Brent Hassert, et al.

SYNOPSIS AS INTRODUCED:

20 ILCS 605/605-530 new

Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Authorizes the Department of Commerce and Economic Opportunity to make participation loans to small businesses that are at least 51% owned and managed by one or more persons who are veterans for the purposes of promoting the creation of veteran-owned small businesses and promoting the creation of jobs within small businesses. Provides that a loan may not exceed \$100,000 or 50% of the business project costs. Provides that a loan may be made only if, in the Department's judgment, the number of jobs to be created is reasonable in relation to the loan funds requested. Provides that a loan must be protected by security. Effective immediately.

LRB095 17868 DRJ 43948 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning State government.

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

4 Section 5. The Department of Commerce and Economic
5 Opportunity Law of the Civil Administrative Code of Illinois is
6 amended by adding Section 605-530 as follows:

7 (20 ILCS 605/605-530 new)

8 Sec. 605-530. Veteran-owned small business loans.

9 (a) In this Section:

10 "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 is expected to have fewer
14 than 500 full-time employees.

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

20 "Veteran-owned small business" means a small business that
21 is, in the Department's judgment, at least 51% owned and
22 managed by one or more persons who are veterans.

23 (b) The Department may make participation loans to

1 veteran-owned small businesses for the purposes of promoting
2 the creation of veteran-owned small businesses and promoting
3 the creation of jobs within small businesses. A loan made under
4 this Section must meet the following requirements:

5 (1) The loan may not exceed \$100,000 or 50% of the
6 business project costs unless the Director determines that
7 a waiver of these limits is required to meet the purposes
8 of this Section.

9 (2) The loan may be made only if, in the Department's
10 judgment, the number of jobs to be created is reasonable in
11 relation to the loan funds requested.

12 (3) The loan must be protected by security. Financial
13 assistance may be secured by first, second, or subordinate
14 mortgage positions on real or personal property, by royalty
15 payments, by personal notes or guarantees, or by any other
16 security satisfactory to the Department to secure
17 repayment.

18 (4) The loan shall be in a principal amount and form
19 and contain terms and provisions with respect to security,
20 insurance, reporting, delinquency charges, default
21 remedies, and other matters that the Department determines
22 are appropriate to protect the public interest and
23 consistent with the purposes of this Section.

24 (c) The Department shall adopt rules prescribing the form
25 and manner of applying for a loan under this Section and other
26 matters necessary for implementing this Section.

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