

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 adding Section 9-4.7 as follows:

(30 ILCS 750/9-4.7 new)

Sec. 9-4.7. Military Reservist Business Assistance Loan Program.

(a) As used in this Section:

"Period of military conflict" means (i) a period of war declared by Congress; (ii) a period of national emergency declared by Congress or by the President; or (iii) a period in which a member of a reserve component of the armed forces of the United States is ordered to active duty pursuant to Section 12304 of Title 10 of the United States Code.

"Owner" means a person with at least a 20% ownership interest in a small business.

"Key employee" means an individual who is employed by a small business and whose managerial or technical expertise is critical to the successful day-to-day operation of the business.

"Small business" means a business with 50 or fewer employees.

"Substantial economic injury" means an economic harm to a small business that results in the inability of the small business to (i) meet its obligations as they mature; (ii) pay its ordinary and necessary operating expenses; or (iii) market, produce, or provide a product or service.

(b) In the making of military reservist business assistance loans, 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.

(c) From funds appropriated for that purpose, the Department shall administer a Military Reservist Business Assistance Loan Program. The Director shall make loans to small businesses (i) that lose an owner or a key employee due to a period of military conflict and (ii) that will experience substantial economic injury as a result of the loss of that owner or key employee.

(d) The Department may accept grants, loans, or appropriations from the federal government or from any private entity to be used for the purposes of this program and may enter into contracts and agreements in connection with those grants, loans, or appropriations.

(e) Loans made pursuant to this Section:

(1) Shall not exceed \$150,000.

(2) Shall have an interest rate below the market rate loan percent.

(3) Shall have repayment terms determined by the Department and that do not exceed 30 years.

(4) 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 applicant demonstrates adequate business experience, entrepreneurial training, or a combination thereof, as determined by the Department.

(5) Shall be in the principal amount and form and contain the 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 consistent with the purposes of this Section.

(f) The Department shall not award any loan under this

Section to: (i) a small business or subsidiary of that business that has already been awarded a loan under this Section within the same fiscal year; or (ii) a small business that was awarded a loan under this Section on which the balance remains unpaid.

(g) Within 30 days after the owner or key employee returns to non-active duty status, arrangements shall be made for the repayment of the loan.

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