

No. 2002-120

AN ACT

SB 1045

Amending the act of June 29, 1996 (P.L.434, No.67), entitled, as amended, "An act to enhance job creation and economic development by providing for an annual financing strategy, for opportunity grants, for job creation tax credits, for small business assistance, for the Small Business Advocacy Council, for a family savings program, for industrial development assistance, for community development bank grants and loans and for tax-exempt bond allocation; conferring powers and duties on various administrative agencies and authorities; further providing for various funds; and making repeals," further providing for definitions and for eligibility.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. The definition of "small business enterprises" in section 1301 of the act of June 29, 1996 (P.L.434, No.67), known as the Job Enhancement Act, is amended and the section is amended by adding definitions to read:

Section 1301. Definitions.

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

* * *

"Agricultural producer." *A person or entity involved in the management and use of a normal agricultural operation for the production of a farm commodity.*

* * *

"Natural disaster." *As defined in 35 Pa.C.S. § 7102 (relating to definitions).*

* * *

"Small business [enterprises] enterprise." *A for-profit corporation, partnership [or], proprietorship, limited liability company or other entity which meets the eligibility requirements established by the department. The term shall include, but is not limited to, a small business [enterprises] enterprise which:*

(1) is located in a small business incubator [facilities, small business enterprises which are] facility;

(2) is an agricultural [processors and small business enterprises which manufacture] processor;

(3) is an agricultural producer; or

(4) manufactures apparel products.

* * *

Section 2. Section 1310 of the act is amended to read:

Section 1310. [Transitional] *Eligibility* provisions.

(a) *Eligibility generally.*—The following [eligibility requirements and eligible uses] shall apply to [all] requests for funding [received after this chapter becomes effective and before submission of the first annual financing strategy] *under this chapter*:

(1) [A] *An applicant must be a* small business enterprise with 100 full-time employees or less that proposes to undertake a capital development *project*.

(2) [(i)] The maximum loan amount for land, buildings and machinery and equipment is \$200,000 or 50% of the total eligible project costs, whichever is less. The maximum loan amount for working capital is \$100,000 or 50% of the total eligible project costs, whichever is less.

[(ii)] (3) Loans used for real estate shall have a repayment period of up to ten years. Loans used for machinery and equipment shall have a repayment period of up to seven years. Loans used for working capital shall have a repayment period of up to three years. In projects where two or more uses of funds are planned, the loan terms may be blended.

[(iii)] (4) Interest rates shall [be fixed at] *not exceed 5%*.

(5) *All loans must be adequately secured.*

(b) *Agricultural producer.*—*Loans made to a small business enterprise that is an agricultural producer shall be made at an interest rate of not less than 2% for the term of the loan if:*

(1) *a declaration under 35 Pa.C.S. § 7301(c) (relating to general authority of Governor) is in effect for at least ten days prior to the date of application;*

(2) *the application is made within nine months of the termination of the declaration; and*

(3) *the agricultural producer is in the area declared a natural disaster.*

[(iv)] *All loans must be adequately secured.*

(3) (i) (c) *Applications under Capital Loan Fund Act.*—Applications for assistance under the Capital Loan Fund Act which have been approved prior to the effective date of this chapter will be processed in accordance with the act of July 2, 1984 (P.L.545, No.109), known as the Capital Loan Fund Act. Applications for assistance which have been received but which have not been approved prior to the effective date of this chapter will be evaluated and processed in accordance with this chapter.

[(ii)] (d) *Applications under Air Pollution Control Act.*—Applications for assistance under section 7.13 of the act of January 8, 1960 (1959 P.L.2119, No.787), known as the Air Pollution Control Act, section 709 of the act of July 6, 1989 (P.L.169, No.32), known as the Storage Tank and Spill Prevention Act, and the

Recycling Incentive Development Account which have been approved prior to the effective date of this chapter shall be processed in accordance with those respective provisions. Applications for assistance which have been received but which have not been approved prior to the effective date of this chapter shall be evaluated and processed in accordance with this chapter.

Section 3. This act shall take effect immediately.

APPROVED—The 2nd day of October, A.D. 2002.

MARK S. SCHWEIKER