
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2786 Session of
2002

INTRODUCED BY J. TAYLOR, ADOLPH, M. BAKER, BARRAR, BELFANTI,
BROWNE, BUNT, CAPPELLI, CIVERA, L. I. COHEN, CREIGHTON,
DeLUCA, DeWEESE, FAIRCHILD, FEESE, FICHTER, FRANKEL, FREEMAN,
GEORGE, GORDNER, HARHAI, HERSHEY, HORSEY, HUTCHINSON, JAMES,
KELLER, KIRKLAND, LEDERER, LEVDANSKY, LEWIS, MANN, McCALL,
McILHATTAN, MELIO, R. MILLER, S. MILLER, MYERS, PETRARCA,
PICKETT, READSHAW, ROSS, SAINATO, SATHER, SCHRODER,
SCRIMENTI, SEMMEL, SHANER, SOLOBAY, STABACK, STEELMAN, STERN,
R. STEVENSON, E. Z. TAYLOR, THOMAS, TIGUE, TRAVAGLIO, TURZAI,
WANSACZ, WASHINGTON, WATSON, WILT, YOUNGBLOOD, YUDICHAK AND
ZIMMERMAN, JULY 1, 2002

REFERRED TO COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT,
JULY 1, 2002

AN ACT

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

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

15 Section 1. Section 1310 of the act of June 29, 1996
16 (P.L.434, No.67), known as the Job Enhancement Act, is amended
17 to read:

18 Section 1310. Transitional provisions.

1 The following eligibility requirements and eligible uses
2 shall apply to all requests for funding received after this
3 chapter becomes effective and before submission of the first
4 annual financing strategy:

5 (1) A small business enterprise with 100 full-time
6 employees or less that proposes to undertake a capital
7 development.

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

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

20 (iii) [Interest rates shall be fixed at 5%.] The
21 department shall set an interest rate of not less than
22 2%.

23 (iv) All loans must be adequately secured.

24 (3) (i) Applications for assistance under the Capital
25 Loan Fund Act which have been approved prior to the
26 effective date of this chapter will be processed in
27 accordance with the act of July 2, 1984 (P.L.545,
28 No.109), known as the Capital Loan Fund Act. Applications
29 for assistance which have been received but which have
30 not been approved prior to the effective date of this

chapter will be evaluated and processed in accordance
with this chapter.

(ii) 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 2. This act shall take effect in 60 days.