AN ACT

Amending Title 12 (Commerce and Trade) of the Pennsylvania Consolidated Statutes, in small business first, providing for relief during COVID-19 emergency; and making editorial changes.

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

Section 1. Chapter 23 of Title 12 of the Pennsylvania Consolidated Statutes is amended by adding a subchapter heading to read:

SUBCHAPTER A

ESTABLISHMENT AND IMPLEMENTATION OF PROGRAM

Section 2. Chapter 23 of Title 12 is amended by adding a subchapter to read:

SUBCHAPTER B

RELIEF DURING COVID-19 EMERGENCY

Sec.

2321. Scope of subchapter.
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The provisions of this subchapter shall only apply during the effective period of a disaster emergency declared by the Governor on March 6, 2020, and published at 50 Pa.B. 1644 (March 21, 2020), and any renewal of the state of disaster emergency.

2322. Definitions.

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

"Working capital expenses." Expenses incurred by a small business for operations, excluding fixed assets and production machinery and equipment.

2323. Eligible applicants.

A for-profit enterprise that employs not more than five individuals shall be considered a small business and shall be eligible for assistance under this subchapter.

2324. Terms of assistance.

Subject to sections 2325 (relating to COVID-19 small business loans) and 2326 (relating to COVID-19 small business grants), the authority may do the following:

(1) Enter into loan agreements with eligible applicants under this chapter as determined by the authority.

(2) Waive or adjust loan requirements, repayment periods
and job creation or preservation requirements for small
businesses located in the geographic area specified in the
disaster emergency declaration.

(3) Accept applications for loans and other financial
assistance directly from eligible applicants.

§ 2325. COVID-19 small business loans.
The following shall apply:

(1) The authority shall approve, to the extent money is
appropriated or available to the authority for the purpose,
loans to eligible small businesses as provided in this
section.

(2) A loan under this subsection may only be for working
capital expenses, may not exceed $15,000 and shall not accrue
interest for the life of the loan.

(3) The authority may not require a payment during the
first year of a loan issued under this section.

§ 2326. COVID-19 small business grants.
The following shall apply:

(1) The authority shall approve, to the extent money is
appropriated or available to the authority for the purpose,
grants to eligible small businesses as provided in this
section.

(2) A grant under this section shall be for working
capital expenses and may not exceed $15,000.

§ 2327. Fund transfer.
The sum of $100,000,000 is transferred from the Budget Stabilization Reserve Fund under section 1701-A of the act of
April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, to
the authority for the program under this chapter. Section 1703-A
of The Fiscal Code does not apply to this section.
§ 2328. Use of money.

No less than $50,000,000 of the money transferred to the authority under section 2327 (relating to fund transfer) shall be used for programs under sections 2325 (relating to COVID-19 small business loans) and 2326 (relating to COVID-19 small business grants). The remainder of the money transferred to the authority may be used for programs under this chapter, including sections 2325 and 2326.

Section 3. This act shall take effect immediately.