AN ACT

1 Amending Title 12 (Commerce and Trade) of the Pennsylvania Consolidated Statutes, in small business first, further providing for definitions and for fund and accounts.

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

Section 1. The definition of "small business" in section 2302 of Title 12 of the Pennsylvania Consolidated Statutes is amended and the section is amended by adding a definition to read:

§ 2302. 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:

* * *

"COVID-19 disaster emergency." The emergency declared by proclamation of the Governor on March 6, 2020, published at 50 Pa.B. 1644 (March 21, 2020), and any renewal of emergency.
"Small business." A person that is engaged in a for-profit enterprise and that employs 100 or fewer individuals. The term includes the following:

(1) An enterprise located in a small business incubator facility.
(2) An agricultural processor.
(3) An agricultural producer.
(4) An enterprise which manufactures apparel products.
(5) An enterprise which is a for-profit or not-for-profit child day-care center subject to licensure by the Commonwealth.
(6) For the effective period of the COVID-19 disaster emergency, an enterprise engaged in research and development.

Section 2. Section 2304 of Title 12 is amended by adding subsections to read:

§ 2304. Fund and accounts.

(e) Requirements for research and development enterprises.--The terms of a loan made under this chapter to a small business engaged in research and development may not include any of the following requirements:

(1) That the small business maintain a minimum debt service coverage ratio.
(2) That the small business provide a loan guarantee.

(f) Waiver and adjustment.--For the effective period of the COVID-19 disaster emergency, the authority may enter into loan agreements with eligible applicants as determined by the authority. Subject to subsection (e), the authority is
authorized to waive or adjust loan requirements and terms,
including applicant eligibility criteria, loan amounts, interest
rates, collateral requirements, repayment periods and job
creation or preservation requirements, for small businesses
located in the geographic area specified in the proclamation
declaring the disaster. The authority may accept applications
directly from eligible applicants for loans and other financial
assistance.

(g) Funds transfer.--The sum of $100,000,000 is
transferred from the Budget Stabilization Reserve Fund
established in 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(b) of The
Fiscal Code does not apply to this subsection.

Section 3. This act shall take effect immediately.