

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2369 Session of 2020

INTRODUCED BY GAYDOS, SOLOMON, BARRAR, CIRESI, DALEY, A. DAVIS, DONATUCCI, GROVE, HANBIDGE, HOHENSTEIN, ISAACSON, KULIK, MALAGARI, MERSKI, MURT, RAVENSTAHL, ROZZI, SANCHEZ, SCHLOSSBERG, SCHWEYER, STRUZZI, WEBSTER, ZABEL, JONES, DeLUCA, STAATS, WILLIAMS, HILL-EVANS, MACKENZIE, LONGIETTI, STEPHENS AND ZIMMERMAN, MARCH 23, 2020

AS REPORTED FROM COMMITTEE ON COMMERCE, HOUSE OF REPRESENTATIVES, AS AMENDED, APRIL 21, 2020

AN ACT

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

13 AMENDING THE ACT OF JUNE 29, 1996 (P.L.434, NO.67), ENTITLED "AN <--  
14 ACT TO ENHANCE JOB CREATION AND ECONOMIC DEVELOPMENT BY  
15 PROVIDING FOR AN ANNUAL FINANCING STRATEGY, FOR OPPORTUNITY  
16 GRANTS, FOR JOB CREATION TAX CREDITS, FOR SMALL BUSINESS  
17 ASSISTANCE, FOR THE SMALL BUSINESS ADVOCACY COUNCIL, FOR A  
18 FAMILY SAVINGS PROGRAM, FOR INDUSTRIAL DEVELOPMENT  
19 ASSISTANCE, FOR COMMUNITY DEVELOPMENT BANK GRANTS AND LOANS  
20 AND FOR TAX-EXEMPT BOND ALLOCATION; CONFERRING POWERS AND  
21 DUTIES ON VARIOUS ADMINISTRATIVE AGENCIES AND AUTHORITIES;  
22 FURTHER PROVIDING FOR VARIOUS FUNDS; AND MAKING REPEALS," IN  
23 COMMUNITY DEVELOPMENT BANK GRANT AND LOAN PROGRAM, FURTHER  
24 PROVIDING FOR DEFINITIONS AND PROVIDING FOR COVID-19 GRANT  
25 AND LOAN PROGRAMS.

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

1 ~~Section 1. Section 2507 of the act of June 29, 1996~~  
2 ~~(P.L.434, No.67), known as the Job Enhancement Act, is amended~~  
3 ~~to read:~~

4 ~~Section 2507. Authority loans.~~

5 ~~[The] (a) General rule. Subject to the provisions of~~  
6 ~~subsections (b) and (c), the authority may make loans to~~  
7 ~~eligible institutions from moneys appropriated to the program on~~  
8 ~~such terms and conditions as the authority may determine. Loans~~  
9 ~~shall be made by the authority pursuant to the act of August 23,~~  
10 ~~1967 (P.L.251, No.102), known as the Economic Development~~  
11 ~~Financing Law. Loans shall be made and used in a manner~~  
12 ~~consistent with the requirements of the Community Development~~  
13 ~~Banking and Financial Institutions Act of 1994 (Public Law 103-~~  
14 ~~325, 108 Stat. 2163) or any successor thereto. Loans to eligible~~  
15 ~~institutions may be made by the authority as the sole lender or~~  
16 ~~in cooperation with participating investors pursuant to~~  
17 ~~agreements entered into in accordance with this chapter. Loan~~  
18 ~~repayments shall be used by the authority to make new loans to~~  
19 ~~eligible institutions.~~

20 ~~(b) Rapid relief loans. The following apply:~~

21 ~~(1) The authority shall approve, to the extent money is~~  
22 ~~appropriated or available to the authority for the purpose,~~  
23 ~~rapid relief loans to eligible small businesses as provided~~  
24 ~~in this subsection.~~

25 ~~(2) A loan under this subsection may not exceed \$75,000,~~  
26 ~~shall not accrue interest for the first nine months after the~~  
27 ~~loan is disbursed and shall be subject to such terms and~~  
28 ~~conditions as to repayment and interest rate as determined by~~  
29 ~~the authority. The loan shall include a provision that~~  
30 ~~requires the loan recipient to work with a small business~~

~~development center or other technical assistance provider during the life of the loan.~~

~~(3) A business shall be eligible for a loan under this subsection if the business is based in this Commonwealth, employs not more than 50 individuals, is a small business as determined by the authority and suffered severe financial loss as a result of a disaster declaration of the Governor.~~

~~(4) If the amount of money appropriated or available to the authority for the purpose of loans under this subsection is insufficient to fully fund all of the loans requested under this subsection, the authority shall make a pro rata distribution of loan amounts.~~

~~(c) Resilient recovery loans. The following shall apply:~~

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

~~(2) A loan under this subsection may not exceed \$250,000 and shall be subject to such terms and conditions as to repayment and interest rate as determined by the authority. The loan shall include a provision that requires the loan recipient to work with a small business development center or other technical assistance provider during the life of the loan.~~

~~(3) A business shall be eligible for a loan under this subsection if the business is based in this Commonwealth, employs not more than 50 individuals, is a small business as determined by the authority and suffered severe financial loss as a result of the COVID-19 pandemic during 2020.~~

~~(4) If the amount of money appropriated or available to~~

1 ~~the authority for the purpose of loans under this subsection~~  
2 ~~is insufficient to fully fund all of the loans requested~~  
3 ~~under this subsection, the authority shall make a pro rata~~  
4 ~~distribution of loan amounts.~~

5 ~~Section 2. The sum of \$7,500,000 is appropriated to the~~  
6 ~~Pennsylvania Economic Development Financing Authority for the~~  
7 ~~purpose of making rapid relief loans under section 2507(b) of~~  
8 ~~the act.~~

9 ~~Section 3. The sum of \$2,500,000 is appropriated to the~~  
10 ~~Pennsylvania Economic Development Financing Authority for the~~  
11 ~~purpose of making resilient recovery loans under section 2507(c)~~  
12 ~~of the act.~~

13 ~~Section 4. This act shall take effect immediately.~~

14 SECTION 1. SECTION 2501 OF THE ACT OF JUNE 29, 1996 <--  
15 (P.L.434, NO.67), KNOWN AS THE JOB ENHANCEMENT ACT, IS AMENDED  
16 BY ADDING A DEFINITION TO READ:

17 SECTION 2501. DEFINITIONS.

18 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER  
19 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
20 CONTEXT CLEARLY INDICATES OTHERWISE:

21 \* \* \*

22 "COVID-19 IMPACTED BUSINESS." A BUSINESS MATERIALLY IMPACTED  
23 BY THE NOVEL CORONAVIRUS, KNOWN AS COVID-19, IDENTIFIED IN THE  
24 PROCLAMATION OF DISASTER EMERGENCY ISSUED BY THE GOVERNOR ON  
25 MARCH 6, 2020, PUBLISHED AT 50 PA.B. 1644 (MARCH 21, 2020), AND  
26 ANY RENEWAL OF THE STATE OF DISASTER EMERGENCY.

27 \* \* \*

28 SECTION 2. THE ACT IS AMENDED BY ADDING A SECTION TO READ:  
29 SECTION 2512. COVID-19 GRANT AND LOAN PROGRAMS.

30 (A) COVID-19 GRANT PROGRAM.--FROM MONEY APPROPRIATED TO OR

1 OTHERWISE AVAILABLE TO THE AUTHORITY FOR GRANTS UNDER THIS  
2 SUBSECTION, THE AUTHORITY SHALL MAKE MONEY AVAILABLE TO  
3 COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS TO MAKE GRANTS TO  
4 COVID-19 IMPACTED BUSINESSES. GRANTS UNDER THIS SUBSECTION SHALL  
5 BE USED TO PROVIDE TECHNICAL ASSISTANCE, TRAINING OR OTHER  
6 SUPPORT.

7 (B) COVID-19 LOAN PROGRAM.--FROM MONEY APPROPRIATED TO OR  
8 OTHERWISE AVAILABLE TO THE AUTHORITY FOR LOANS UNDER THIS  
9 SUBSECTION, THE AUTHORITY SHALL MAKE MONEY AVAILABLE TO  
10 COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS TO MAKE LOANS TO  
11 COVID-19 IMPACTED BUSINESSES.

12 (C) REPORT.--THE AUTHORITY SHALL PREPARE, IN CONSULTATION  
13 WITH THE COMMITTEE, A REPORT TO THE CHAIRPERSON AND MINORITY  
14 CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF THE SENATE AND  
15 THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS  
16 COMMITTEE OF THE HOUSE OF REPRESENTATIVES. THE REPORT SHALL  
17 INCLUDE THE AMOUNT OF MONEY APPROPRIATED TO THE COVID-19 GRANT  
18 AND LOAN PROGRAMS UNDER THIS SECTION, THE NAME AND LOCATION OF  
19 COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS ACCREDITED BY THE  
20 DEPARTMENT AND THE NUMBER OF GRANTS AND LOANS DISBURSED TO  
21 COVID-19 IMPACTED BUSINESSES.

22 (D) PROHIBITION ON ISSUANCE.--NO GRANTS OR LOANS MAY BE  
23 ISSUED UNDER THIS SECTION 15 YEARS AFTER THE EFFECTIVE DATE OF  
24 THIS SECTION.

25 SECTION 3. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.