

From: Kurt Masser
To: Democratic House Members; District Office Staff; Member Support Staff - Harrisburg; Republican House Members
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Subject: Proposed Legislation - Small Business Flood Relief Program

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In the near future, I plan to introduce legislation that will create the Small Business Flood Relief Program. My legislation will provide additional assistance to certain businesses to supplement compensation received from private insurance and the Federal Government.

Specifically, small businesses will need to meet all of the following:

- Located in a county declared a Federal disaster area (as a result of Hurricane Irene or Tropical Storm Lee).
- Suffered an eligible loss.
- Be a small business.
- Be registered and in good standing with the Department of Revenue (filed state tax returns and paid all state taxes).

The small business shall apply for a loan (by or on October 2, 2012) by setting forth the facts establishing eligibility on a department form subject to 18 Pa . C.S. §4904 (relating to unsworn falsification to authorities). The department shall investigate the application to determine eligibility within 30 days.

Loan amounts shall range from \$10,000 through \$100,000 and may be used for working capital, inventory and equipment purchase, and real property improvements if owned by the borrower.

- Loans cannot be used for refinancing existing debt or outstanding debt payments.
- Equipment and property must be located within the Commonwealth.
- Loan proceeds must be drawn within 60 days of approval.

Loan applications will be reviewed and approved on a first-come, first-served basis.

Loan terms are as follows:

- Working capital or inventory-related loans: interest rate not to exceed 3% or have a repayment term in excess of 5 years.
- Equipment purchases or real property improvement related-loans: interest rate not to exceed 1% or have a repayment term in excess of 10 years.

The sum of \$15M would be appropriated for the program under this act.

The program and Small Business Food Relief Account shall terminate on June 30, 2012 and any remaining money shall be transferred to the General Fund.

If you are interested in cosponsoring this legislation, please contact Cindy Abbott in my office at cabbott@pahousegop.com.

Kurt A. Masser
Representative 107th District