
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1414 Session of
1997

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APRIL 30, 1997

REFERRED TO COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT,
APRIL 30, 1997

AN ACT

1 Establishing the Export Financing Loan Fund in the Department of
2 Community and Economic Development to provide financial
3 assistance to small businesses; establishing a special
4 account in the Treasury Department; and providing for special
5 accounts in banks or trust companies.

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

8 Section 1. Short title.

9 This act shall be known and may be cited as the Export
10 Financing Loan Program Act.

11 Section 2. Definitions.

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

15 "Department." The Department of Community and Economic
16 Development of the Commonwealth.

17 "Ex-Im Bank." The Export-Import Bank of the United States,
18 an independent agency of the Federal Government.

1 "Export activity." An activity undertaken by an enterprise
2 related to exports. The term includes manufacturing, assembling
3 and like operations.

4 "Exports." All goods and services to be exported from the
5 United States.

6 "Fund." The Export Financing Loan Fund.

7 "Policy." An export credit insurance policy for small
8 business offered by the Export-Import Bank of the United States.
9 Section 3. Fund.

10 (a) Establishment.--The Export Financing Loan Fund is hereby
11 established within the Small Business First Fund provided for by
12 section 1302 of the act of June 29, 1996 (P.L.434, No.67), known
13 as the Job Enhancement Act.

14 (b) Source.--The sources of the fund are as follows:

15 (1) Program appropriations.

16 (2) Proceeds from loan repayments.

17 (3) Deposits, payments or contributions from any other
18 source made available to the department for the purposes of
19 this act.

20 (c) Administration.--

21 (1) Money from the fund may be deposited by the
22 department in banks or trust companies in special accounts.
23 The special accounts must be continuously secured by a pledge
24 of direct obligations of the United States or of the
25 Commonwealth, having an aggregate market value, exclusive of
26 accrued interest, at least equal to the balance on deposit in
27 the account. The securities shall be deposited with the
28 department to be held by a trustee or agent satisfactory to
29 the department. Banks and trust companies are authorized to
30 give security under this paragraph.

1 (2) Money in accounts under paragraph (1) shall be paid
2 out on order of the department.

3 Section 4. Loans.

4 (a) Authorization.--The department may make loans from the
5 fund, subject to this section, for the purpose of making loans
6 to companies involved in exports.

7 (b) Conditions.--A loan must comply with all of the
8 following:

9 (1) Be to a company eligible for a policy.

10 (2) Be guaranteed by the Working Capital Guaranty
11 Program offered by the Ex-Im Bank or be on an export credit
12 sales contract insured by a policy.

13 (3) Be limited to companies that have facilities within
14 this Commonwealth which are involved in export activities.

15 (4) Be based on an export contract that requires payment
16 in United States dollars.

17 (5) Be for the purpose of financing export activity.

18 (c) Qualification.--A company need not qualify as a small
19 business enterprise, as defined in section 1301, or meet any
20 other requirements under Chapter 13 of the act of June 29, 1996
21 (P.L.434, No.67), known as the Job Enhancement Act.

22 (d) Restrictions.--A loan must not supplant funding which is
23 otherwise available from private sector sources on commercially
24 reasonable terms.

25 (e) Terms.--A loan shall have a term, rate of interest,
26 transaction size and other business conditions that comply with
27 the requirements of the Ex-Im Bank and any other requirements of
28 the department.

29 Section 5. Application and administration.

30 (a) Procedures.--Application and administration procedures

1 for fund loans shall be established by the department.

2 (b) Receipt.---The department shall receive applications
3 from eligible companies for export financing loans. Applications
4 shall be made to the department in the form the department
5 prescribes.

6 (c) Review.--Upon receipt of the application, the department
7 shall review the application and either approve or disapprove
8 the loan application.

9 Section 6. Powers and duties of department.

10 In order to administer this act, the department shall have
11 the following powers and duties:

12 (1) To promulgate regulations.

13 (2) To adopt policies, procedures and guidelines.

14 (3) To prescribe forms.

15 (4) To apply to the Ex-Im Bank for delegated authority
16 lender status under the Ex-Im Bank's Working Capital Guaranty
17 Program.

18 Section 7. Effective date.

19 This act shall take effect in 60 days.