

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 AND MACKENZIE, MARCH 23, 2020

REFERRED TO COMMITTEE ON COMMERCE, MARCH 23, 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 The General Assembly of the Commonwealth of Pennsylvania  
 14 hereby enacts as follows:

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

18 Section 2507. Authority loans.

19 [The] (a) General rule.-- Subject to the provisions of  
 20 subsections (b) and (c), the authority may make loans to  
 21 eligible institutions from moneys appropriated to the program on

1 such terms and conditions as the authority may determine. Loans  
2 shall be made by the authority pursuant to the act of August 23,  
3 1967 (P.L.251, No.102), known as the Economic Development  
4 Financing Law. Loans shall be made and used in a manner  
5 consistent with the requirements of the Community Development  
6 Banking and Financial Institutions Act of 1994 (Public Law 103-  
7 325, 108 Stat. 2163) or any successor thereto. Loans to eligible  
8 institutions may be made by the authority as the sole lender or  
9 in cooperation with participating investors pursuant to  
10 agreements entered into in accordance with this chapter. Loan  
11 repayments shall be used by the authority to make new loans to  
12 eligible institutions.

13 (b) Rapid relief loans.--The following apply:

14 (1) The authority shall approve, to the extent money is  
15 appropriated or available to the authority for the purpose,  
16 rapid relief loans to eligible small businesses as provided  
17 in this subsection.

18 (2) A loan under this subsection may not exceed \$75,000,  
19 shall not accrue interest for the first nine months after the  
20 loan is disbursed and shall be subject to such terms and  
21 conditions as to repayment and interest rate as determined by  
22 the authority. The loan shall include a provision that  
23 requires the loan recipient to work with a small business  
24 development center or other technical assistance provider  
25 during the life of the loan.

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

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

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

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

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

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

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

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

1 the act.

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

6 Section 4. This act shall take effect immediately.