

March 26, 2009

S 982. SMALL BUSINESS ASSISTANCE FUND. Filed 3/25/09. *TO ENACT THE SMALL BUSINESS ASSISTANCE ACT OF 2009 AND TO ESTABLISH THE SMALL BUSINESS JOBS PRESERVATION FUND IN THE OFFICE OF STATE BUDGET AND MANAGEMENT WITH RELATED PROGRAMS COORDINATED BY A TECHNICAL ASSISTANCE PROVIDER.*

Enacts a new subpart B in Part 2I, Article 10, GS Chapter 143B called the Small Business Assistance Fund. Establishes the Small Business Jobs Preservation and Emergency Assistance Fund (Fund) as a revolving special revenue fund to be administered by a technical assistance provider. Establishes the Small Business Assistance Commission, reserving the provision on membership for future codification. Allows a small business to apply for a loan according to a schedule to be determined. Provides that funds are to be used to (1) guarantee commercial loans, (2) finance bonds to allow small business to better leverage federal stimulus dollars, (3) provide emergency bridge loans where ability to repay has been established but credit remains unavailable, and (4) lend for other purposes related to small business job preservation. Specifies procedures by which small businesses may apply for Fund money. Caps total amount of funds that a business may receive at an aggregate total of \$35,000. Provides for disbursement of funds. Enacts other provisions including those requiring reporting by the technical assistance provider to the Joint Legislative Commission on Governmental Operations by July 1 of each year. Also specifies reporting for small business receiving funds. Repeals Part 20 of Article 10, Chapter 143 (Small Business Contractor Act). Makes an appropriation from the General Fund to the Small Business Assistance Fund in an amount to be determined for the 2009-10 fiscal year. Effective July 1, 2009.

Intro. by Jenkins.

GS 143B, APPROP

May 12, 2009

S 982. SMALL BUSINESS ASSISTANCE FUND. Filed 3/25/09. Senate amendment makes the following changes to 1st edition. Revises new GS 143B-437.89 to establish the fund in the Department of Commerce (Department) (was, Office of State Budget and Management). Deletes provisions about a technical assistance provider and provides that the fund will be administered by the Department through the Small Business and Technology Development Center or other entity and that the Department will be responsible for receipt and disbursement of all monies. Deletes provision establishing the Small Business Assistance Commission and replaces it with one creating a Small Business Advisory Commission to work with the Department. Specifies Commission members. Defines *small business* and puts limits and requirements on fund use for businesses in Tiers 2 and 3 counties. Provides that the main priority of the fund is with small businesses in connection with federal stimulus contracts. Puts limits on use of funds by businesses for enhancing executive pay, providing bonuses or consolidating operations to reduce an existing workforce. Expands eligible purposes of fund moneys. Caps the amount of moneys that a small business may receive in connection with a loan at \$50,000 (was, \$35,000); caps a loan guarantee at \$100,000. Makes conforming changes to reporting requirements by requiring the Department to file a consolidated specified report by September 1st of each year (was, technical assistance provider required to report by July 31 of each year). Deletes repeal of Part 20 of Article 10 of GS Chapter 143B. Makes conforming changes to text and title; makes technical changes.

August 5, 2009

S 982. SMALL BUSINESS ASSISTANCE FUND. Filed 3/25/09. House committee deletes the provisions of the 2nd edition and instead provides that if Senate Bill 202 (Appropriations Act of 2009) becomes law, then GS 143B-437.89, as enacted by Section 14.3(b) of Senate Bill 202, will be amended as follows.

Provides that the Department of Commerce (Department) may approve costs and administrative fees of not more than 5% for the administration of the Small Business Jobs Preservation and Emergency Assistance Fund (Fund). Directs the Department to administer the Fund through the Small Business and Technology Development Center (Small Business Center) or any other entity (was, administered by the Department) as selected by the Secretary of Commerce (Secretary). Also directs the Department, supported by the advice and counsel of the Small Business Advisory Commission (Commission), the Small Business Center, or any other professional entity selected by the Secretary to develop criteria, technical specifications, policies, and procedures for evaluative purposes. Specifies the composition of the 12-member Commission. Directs the Commission, in addition to its advisory role, to receive comments regarding the needs and concerns of small businesses as they relate to matters of state. Requires the Commission to make an annual report to the Joint Legislative Commission on Governmental Operations. Provides that the cost of the Commission is to be taken from the administrative fees collected. Defines *moneys* to mean a disbursement from the Fund as a loan or as a *loan guarantee*. Sets a limit that no more than 20% of the Fund may be loaned to businesses in Article 3J Tier 3 counties and reserves the remainder of the Fund for businesses in Article 3J Tier 1 and Tier 2 counties. Asserts that the main priority of the Fund is to protect existing jobs rather than to create new jobs, but states that priority may be given to loans or loan guarantees that will enhance the ability of otherwise qualifying small businesses to enter into federal stimulus contracts. Allows for priority to also be given to loan or loan guarantee requests from otherwise qualifying historically underutilized businesses.

Deletes provisions that allowed a small business to apply for a loan for up to 80% of the projected cost of the proposed activities subject to repayment (1) within five years at the prime rate plus 4%, (2) within 10 years at the prime rate plus 6%, and (3) within 15 years at the prime rate plus 8%. Instead, provides that a small business may apply for a loan for any legitimate business purposes and provides criteria for receiving assistance and restrictions on the use of any funds received. Provides that preference will be given to loan guarantees for the first two years of the Fund. Adds as an eligible purpose for moneys in the Fund use of the moneys to guarantee commercial loans. Provides that any small business may apply for moneys from the Fund by submitting an application to the Department through its designated loan administration resource (was, submit the application to the Department). Allows the Department or its designee to review a submitted application. Sets the limit a small business may receive at an aggregate total of \$50,000 (was, \$35,000) and sets the limit for a loan guarantee at \$100,000. Deletes provision allowing the Department to use up to \$50,000 of the moneys in the Fund for expenses related to the administration of the Fund. Declares that nothing in this section is to be deemed a pledge of the faith and credit of the state and limits any loan guarantee authorized by this session to the funds available to the Fund as created by this section.

Changes the title to *AN ACT TO ESTABLISH THE SMALL BUSINESS JOBS PRESERVATION FUND IN THE DEPARTMENT OF COMMERCE WITH RELATED PROGRAMS COORDINATED BY A TECHNICAL ASSISTANCE PROVIDER.*