

1 HB126  
2 155901-1  
3 By Representative Hubbard (J) (Constitutional Amendment)  
4 RFD: Economic Development and Tourism  
5 First Read: 14-JAN-14  
6 PFD: 01/10/2014

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8 SYNOPSIS: This bill would propose an amendment to the  
9 Constitution of Alabama of 1901, to create a Small  
10 Business and Job Creation Fund for the purpose of  
11 providing a statewide availability of funds for  
12 lending purposes to businesses forming new business  
13 entities. This bill would provide for the transfer  
14 of \$50 million each year for three years from the  
15 Alabama Trust Fund to the Small Business and Job  
16 Creation Fund and would provide for administration  
17 of small business loans from the fund by the  
18 Department of Commerce. This bill would also  
19 provide for further implementation and  
20 administration of loans from the Small Business and  
21 Job Creation Fund by the Legislature.

22  
23 A BILL  
24 TO BE ENTITLED  
25 AN ACT  
26



1                   (2) As loans from the fund are paid by a business  
2 entity, the funds shall be deposited into the Alabama Trust  
3 Fund.

4                   (c) A transfer under subsection (b) may not be made  
5 in any year to the extent the transfer would cause the total  
6 capital of the Alabama Trust Fund as of the end of the  
7 previous fiscal year to fall below two billion dollars  
8 (\$2,000,000,000) or in any year following a year in which the  
9 state reaches five percent or less unemployment as determined  
10 by the Alabama Department of Labor. For the purposes of this  
11 amendment, total capital shall not include any amount that has  
12 been withdrawn from either the Education Trust Fund Rainy Day  
13 Account or the State General Fund Rainy Day Account and that  
14 has not been repaid to either account as of the end of the  
15 applicable fiscal year. In the event an amount less than fifty  
16 million dollars (\$50,000,000) is transferred in any fiscal  
17 year pursuant to this amendment, the amount not transferred  
18 due to this limitation may be transferred in a subsequent  
19 fiscal year. The aggregate amount of loans from the fund each  
20 year may not exceed the amount transferred each year to the  
21 fund under subsection (b).

22                   (d) Each business loan made by the Department of  
23 Commerce using funds from the Small Business and Job Creation  
24 Fund shall satisfy all of the following:

25                   (1) Be issued only for the purpose of assisting  
26 business applicants with initial costs associated with the  
27 creation of new business entities.

1           (2) Be limited to no more than twenty-five thousand  
2 dollars (\$25,000) for businesses creating five to 10 jobs, and  
3 one hundred thousand dollars (\$100,000) for businesses  
4 creating 11 jobs or more.

5           (3) Include interest on the loan matched to the  
6 industry standard for business loans, unless made higher or  
7 lower by further act of the Legislature.

8           (e) Any business awarded a loan under this amendment  
9 shall undergo annual audits to provide verification that it  
10 has maintained the employment requirements for the loan. The  
11 audits shall be conducted by the Department of Commerce, and  
12 shall be required annually until the loan is paid in full.

13           (f) The Legislature may provide for the  
14 administration and implementation of loans made from the Small  
15 Business and Job Creation Fund.

16           Section 2. An election upon the proposed amendment  
17 shall be held in accordance with Sections 284 and 285 of the  
18 Constitution of Alabama of 1901, now appearing as Sections 284  
19 and 285 of the Official Recompilation of the Constitution of  
20 Alabama of 1901, as amended, and the election laws of this  
21 state.

22           Section 3. The appropriate election official shall  
23 assign a ballot number for the proposed constitutional  
24 amendment on the election ballot and shall set forth the  
25 following description of the substance or subject matter of  
26 the proposed constitutional amendment:

1                   "Proposing an amendment to the Constitution of  
2 Alabama of 1901, as amended, relating to the Alabama Trust  
3 Fund, to create the Small Business and Job Creation Fund, to  
4 provide for the transfer of funds in the Alabama Trust Fund to  
5 the Small Business and Job Creation Fund, and to appropriate  
6 the fund for economic development purposes.

7                   "Proposed by Act \_\_\_\_\_."

8                   This description shall be followed by the following  
9 language:

10                  "Yes ( ) No ( )."