

FIRST REGULAR SESSION

HOUSE BILL NO. 1158

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE MESSENGER.

2500H.031

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 620, RSMo, by adding thereto two new sections relating to the Missouri small business loan fund.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 620, RSMo, is amended by adding thereto two new sections, to be known as sections 620.2100 and 620.2102, to read as follows:

620.2100. 1. There is hereby created in the state treasury the "Missouri Small Business Loan Fund", which shall consist of moneys appropriated by the general assembly. In the event the net amount of general revenue collected in a fiscal year exceeds the net amount of general revenue collected in the previous fiscal year by at least three and one-half percent, the fund shall be financed by a one-time fifty million dollar appropriation by the general assembly. At the start of every fiscal year thereafter, the fund shall be appropriated an amount sufficient to return the balance of the fund to fifty million dollars. The state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements. The fund shall be a dedicated fund and, upon appropriation, moneys in the fund shall be used solely for the administration of section 620.2102.

2. Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund.

3. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

620.2102. 1. As used in this section, the following terms shall mean:

- 2 (1) **“Board”, the Missouri development finance board;**
- 3 (2) **“Department”, the department of economic development;**
- 4 (3) **“Fund”, the Missouri small business loan fund established in section 620.2100;**
- 5 (4) **“Local”, having its primary place of business located within the county the**
6 **project is to be undertaken;**
- 7 (5) **“Project”, a development project located in Missouri which creates at least one**
8 **full-time county average wage job for every one hundred thousand dollars obtained from**
9 **the fund; and**
- 10 (6) **“Qualified company”, a company with its corporate headquarters located in**
11 **Missouri.**

12 **2. (1) Qualified companies may submit applications to the board for loans from the**
13 **fund in accordance with requirements and procedures to be established by the department.**

14 **(2) When reviewing applications, the board shall consider such factors as the**
15 **potential number of new permanent jobs to be created, the amount of private sector**
16 **investment, the significance of state funding to the project or project’s location, the**
17 **economic need of the affected community, and the importance of the project to the**
18 **economic development of Missouri.**

19 **3. Applications submitted to the board shall be accompanied by a recommendation**
20 **from a local community development corporation and a credit check from a local Missouri**
21 **chartered lending institution.**

22 **4. The following restrictions are placed on the disbursement of moneys from the**
23 **fund:**

- 24 **(1) No project is to receive in excess of five million dollars;**
- 25 **(2) No loan amount shall exceed thirty percent of the total cost of the project; and**
- 26 **(3) Qualified companies shall supply a minimum of ten percent of the total cost of**
27 **the project.**

28 **5. All loans made from the fund shall be subordinate to loans obtained from other**
29 **sources.**

30 **6. Any qualified company receiving funds under this section shall sign an**
31 **agreement permitting the state auditor to conduct an audit to monitor the utilization of**
32 **moneys received from the fund. If a qualified company uses moneys obtained from the**
33 **fund for purposes other than for the project for which the moneys were awarded, the**
34 **entirety of the loan shall be immediately due.**

35 **7. Loans awarded under the provisions of this section shall be at an interest rate**
36 **equal to that of industry standards at the time of the loan, not to exceed four percent.**

37 **Additional terms and conditions for the loans awarded under this section shall be set by**
38 **the board.**

39 **8. The board shall prepare an annual report regarding the loans administered in**
40 **the previous calendar year and submit such report to the governor, the president pro tem**
41 **of the senate, and the speaker of the house of representatives by the fifteenth of January**
42 **each year.**

✓