

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 SENATE BILL 201

By: Simpson

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5  
6 AS INTRODUCED

7 An Act relating to small business loans; creating the  
8 Oklahoma Veterans Small Business Loan Act; providing  
9 short title; defining terms; authorizing the  
10 Department of Commerce to develop a veteran small  
11 business loan program jointly with the State Director  
12 of the Oklahoma Small Business Development Centers;  
13 directing assistance from the Oklahoma Small Business  
14 Development Center Network; providing for one-time,  
15 interest-free loans; setting maximum loan amount;  
16 establishing certain criteria for eligibility;  
17 directing establishment of certain fund for certain  
18 purpose; directing deposit of repayment of loans;  
19 providing for costs to administer loan program;  
20 requiring promulgation of rules and forms; creating  
21 the Veteran Business Loan Revolving Fund; providing  
22 for funding, expenditure of funds and deposit of  
23 funds; providing for codification; and providing an  
24 effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

19 SECTION 1. NEW LAW A new section of law to be codified  
20 in the Oklahoma Statutes as Section 600 of Title 75, unless there is  
21 created a duplication in numbering, reads as follows:

22 This act may be cited as and shall be known as the "Oklahoma  
23 Veterans Small Business Loan Act".

1           SECTION 2.           NEW LAW           A new section of law to be codified  
2 in the Oklahoma Statutes as Section 600.1 of Title 75, unless there  
3 is created a duplication in numbering, reads as follows:

4           For purposes of this act:

5           1. "Active service" means either state active service, federally  
6 funded state active service, or federal active service;

7           2. "Director" means the State Director of the Oklahoma Small  
8 Business Development Centers;

9           3. "Eligible business" means a small business, as defined  
10 herein, that was operating in Oklahoma on the date a military  
11 reservist received orders for active service;

12           4. "Essential employee" means a military reservist who is an  
13 owner or employee of an eligible business and whose managerial or  
14 technical expertise is critical to the day-to-day operation of the  
15 eligible business;

16           5. "Military reservist" means a member of the reserve component  
17 of the armed forces;

18           6. "Reserve component of the armed forces" has the meaning given  
19 it in United States Code, Title 10, Section 101(c);

20           7. "Small business" means a business entity organized for profit  
21 including, but not limited to, any individual, partnership,  
22 corporation, joint venture, association or cooperative, which  
23 entity:  
24

- a. is not an affiliate or subsidiary of a business dominant in its field of operation, and
- b. has twenty (20) or fewer full-time employees, or
- c. in the preceding fiscal year has not had more than the equivalent of One Million Dollars (\$1,000,000.00) in annual gross revenues, or
- d. if the business is a technical or professional service, shall not have had more than the equivalent of Two Million Five Hundred Thousand Dollars (\$2,500,000.00) in annual gross revenues in the preceding fiscal year;

8. "Substantial economic injury" means an economic harm to an eligible business that results in the inability of the eligible business to:

- a. meet its obligations as they mature,
- b. pay its ordinary and necessary operating expenses, or
- c. manufacture, produce, market or provide a product or service ordinarily manufactured, produced, marketed or provided by the eligible business;

9. "Veteran" means a resident and citizen of this state and citizen of the United States or a resident alien who has been separated under honorable conditions from any branch of the armed forces of the United States after having served on active duty for one hundred eighty-one (181) consecutive days or by reason of

1 disability incurred while serving on active duty or who has met the  
2 minimum active duty requirement as defined by Code of Federal  
3 Regulations, Title 38, Section 3.12a, or who has active military  
4 service certified under Section 401, Public Law 95-202. The active  
5 military service must be certified by the United States Secretary of  
6 Defense as active military service, and a discharge under honorable  
7 conditions must be issued by the Secretary; and

8 10. "Veteran-owned small business" means a small business, as  
9 defined herein, that is majority-owned and operated by a recently  
10 separated veteran.

11 SECTION 3. NEW LAW A new section of law to be codified  
12 in the Oklahoma Statutes as Section 600.2 of Title 75, unless there  
13 is created a duplication in numbering, reads as follows:

14 The Director of the Department of Commerce jointly with the  
15 State Director of the Oklahoma Small Business Centers may develop  
16 and establish a veteran small business loan program pursuant to the  
17 provisions of this act, subject to the availability of funding.  
18 When implemented the program shall operate with assistance from the  
19 Oklahoma Small Business Development Center Network.

20 SECTION 4. NEW LAW A new section of law to be codified  
21 in the Oklahoma Statutes as Section 600.3 of Title 75, unless there  
22 is created a duplication in numbering, reads as follows:

23 A. Subject to the availability of funds, the Director of the  
24 Department of Commerce upon recommendation from the State Director

1 of the Oklahoma Small Business Development Centers may make one-  
2 time, interest-free loans of up to Twenty Thousand Dollars  
3 (\$20,000.00) per borrower upon application and approval to:

4 1. Eligible businesses that have sustained or are likely to  
5 sustain substantial economic injury as a result of the call to  
6 active service for one hundred eighty (180) days or more of an  
7 essential employee; or

8 2. Recently separated veterans who are veterans, as defined in  
9 herein, and have served in active military service, at any time on  
10 or after September 11, 2001, to start a veteran-owned small  
11 business.

12 B. Loans for economic injury must be made for the purpose of  
13 preventing, remedying or ameliorating the substantial economic  
14 injury.

15 SECTION 5. NEW LAW A new section of law to be codified  
16 in the Oklahoma Statutes as Section 600.4 of Title 75, unless there  
17 is created a duplication in numbering, reads as follows:

18 The Director of the Department of Commerce shall use money  
19 appropriated or otherwise received or allocated for the purposes of  
20 this act to establish a revolving loan account and make qualified  
21 and approved veteran loans. All repayments of loans made pursuant  
22 to this act must be deposited into the revolving fund. Interest  
23 earned on money in the revolving fund accrues to the account. Money  
24 in the revolving fund shall be exclusively used by the director for

1 purposes of the veteran loan program created in this act, including  
2 costs incurred by the director to establish and administer the  
3 program and for no other purpose.

4 SECTION 6. NEW LAW A new section of law to be codified  
5 in the Oklahoma Statutes as Section 600.5 of Title 75, unless there  
6 is created a duplication in numbering, reads as follows:

7 The Director of the Department of Commerce shall develop and  
8 publish rules and forms for loan applications, use of funds, needed  
9 collateral, terms of loans, and other details of military reservist  
10 economic injury and veteran-owned small business loans.

11 SECTION 7. NEW LAW A new section of law to be codified  
12 in the Oklahoma Statutes as Section 600.6 of Title 75, unless there  
13 is created a duplication in numbering, reads as follows:

14 There is hereby created in the State Treasury a revolving fund  
15 for the Director of the Department of Commerce to be designated the  
16 "Veterans Small Business Loan Revolving Fund". The fund shall be a  
17 continuing fund, not subject to fiscal year limitations, and shall  
18 consist of all state appropriated funds, federal funds, private  
19 funds, grants, gifts, bequests, accrued interest on the fund, loan  
20 reimbursement payments, and all other sources of moneys received for  
21 purposes of this act. All monies accruing to the credit of the fund  
22 are hereby appropriated and may be budgeted and expended by the  
23 Director of the Department of Commerce for qualified and approved  
24 veteran loans made pursuant to the provisions of this act and rules

1 applicable thereto. Expenditures from the fund shall be made by  
2 warrants issued by the State Treasurer against claims filed as  
3 prescribed by law with the Director of the Office of Management and  
4 Enterprise Services for approval and payment.

5 SECTION 8. This act shall become effective November 1, 2015.

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