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HOUSE BILL NO. 1341

Offered January 11, 2018

A *BILL to amend the Code of Virginia by adding a section numbered 2.2-2311.2, relating to the Small Business Financing Authority; Virginia Small Business Emergency Bridge Loan Fund created.*

Patron—Bloxom

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:**1. That the Code of Virginia is amended by adding a section numbered 2.2-2311.2 as follows:****§ 2.2-2311.2. Creation, administration, and management of the Virginia Small Business Emergency Bridge Loan Fund.***A. For the purposes of this section:*

"Disaster" means any natural disaster, including any hurricane, tornado, storm, high water, wind-driven water, tidal wave, tsunami, earthquake, landslide, mudslide, snowstorm or drought, or regardless of cause, any fire, flood, or explosion, or other natural disaster resulting in damage, hardship, suffering, or possible loss of life.

"Eligible small business" means any person engaged in a for-profit business enterprise in the Commonwealth and such enterprise has (i) \$10 million or less in annual gross income under generally accepted accounting principles for up to each of its last three fiscal years or a lesser time period if it has been in existence less than three years, (ii) fewer than 250 employees, or (iii) a net worth of \$1 million or less, or such business enterprise meets such other satisfactory requirements as the Board shall determine from time to time upon a finding that such business enterprise is in need of assistance.

"Fund" means the Virginia Small Business Emergency Bridge Loan Fund.

B. There is hereby created a permanent revolving loan fund to be known as the Virginia Small Business Emergency Bridge Loan Fund. The Fund shall comprise (i) moneys appropriated to the Fund by the General Assembly, (ii) moneys collected by the Authority as a result of loan repayments, (iii) all income from the investment of moneys held by the Fund, and (iv) any other moneys designated for deposit to the Fund from any source, public or private. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used to provide short-term direct loans to eligible small businesses impacted by a disaster for which a state of emergency as defined in § 44-146.16 has been declared for the Commonwealth by the Governor. The Fund shall be managed and administered by the Authority with guidance from the Director of the Department of Small Business and Supplier Diversity.

C. Loans shall be for a minimum amount of \$1,000 up to a maximum amount of \$5,000. Loans shall be interest-free and shall be repaid to the Fund by the end of the loan term. The Authority shall establish the loan term, which shall be for a minimum of 90 days but shall not exceed 180 days. The Authority, or its designated agents, shall determine additional qualifications, terms, and conditions for the use of the Fund and accounts thereof.

INTRODUCED

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