

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999
4

As Engrossed: S2/10/99

A Bill

Act 448 of 1999
SENATE BILL 322

5 By: Senators B. Lewellen, Webb, DeLay, Edwards, Hill, B. Walker, *Brown*
6 By: Representatives Willis, T. Thomas, J. Lewellen, Jones, L. Thomas, Eason, Harris, *White*
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For An Act To Be Entitled

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10 "AN ACT TO REQUIRE THE ARKANSAS DEPARTMENT OF ECONOMIC
11 DEVELOPMENT TO INSTITUTE A TWO (2) YEAR PILOT
12 LOAN/INCENTIVE PROGRAM FOR SMALL BUSINESS THROUGH
13 COMMUNITY LENDERS; AND FOR OTHER PURPOSES. "
14

Subtitle

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16 "AN ACT TO REQUIRE THE ARKANSAS
17 DEPARTMENT OF ECONOMIC DEVELOPMENT TO
18 INSTITUTE A TWO (2) YEAR PILOT
19 LOAN/INCENTIVE PROGRAM FOR SMALL
20 BUSINESS THROUGH COMMUNITY LENDERS. "
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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Section 1. Definitions.

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26 For purposes of this act:

27 (1) "Commission" means the Arkansas Economic Development Commission;

28 (2) "Community Lender" means any not-for-profit or governmental
29 organization which is involved in making loans to small businesses within this
30 state;

31 (3) "Department" means the Arkansas Department of Economic Development;

32 (4) "Director" means the Director of the Arkansas Department of
33 Economic Development;

34 (5) "Economically deprived area" means an economically distressed
35 United States Census Bureau enumeration district or block group in need of
36 expansion of business and industry and the creation of jobs, and which is

1 designated to be eligible for the benefits afforded by this act;

2 (6) "Small business" means business enterprises with fewer than fifty
3 (50) full-time employees and less than one million dollars (\$1,000,000) in
4 annual gross sales or receipts.

5 (7) "Small business person" means an individual, firm, partnership,
6 limited liability company, corporation, or any other business entity in any
7 form, which owns and operates a small business.

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9 SECTION 2. (a) The department shall institute a two (2) year pilot
10 program to make participation loans which are originated by approved community
11 lenders for small businesses in this state.

12 (b) The department's participating share of any qualified loan shall
13 not exceed fifty percent (50%) of the total loan amount, and the department's
14 share shall be in an amount not less than two thousand five hundred dollars
15 (\$2,500) and not more than forty thousand dollars (\$40,000).

16 (c) The department shall share on a pari passu basis with the
17 originating community lender all collateral, guarantees, repayments and
18 recoveries on loans made in this program.

19 (d) The department shall give preference to economically deprived
20 areas.

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22 SECTION 3. Any community lender that desires to seek participating
23 loans from the department pursuant to this program shall make application to
24 the department. Approval of any participating community lender shall be done
25 by action of the commission.

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27 SECTION 4. Each community lender requesting a participating loan shall
28 submit to the department an application, supporting documents, and instruments
29 as may be required by the regulations promulgated by the department.

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31 SECTION 5. The department shall:

32 (1) Actively seek support from and collaboration with statewide
33 financial institutions, the Arkansas Credit Union League, Small Business
34 Administration, Arkansas Bankers Association, Arkansas Development Finance
35 Authority and other agencies interested in supporting small business efforts
36 in the state.

1 (2) provide small business persons with:

2 (A) Assistance and resources for preparation of business plans
3 available through the department and other agencies.

4 (B) Information about services available through the department;

5 (C) Information about financial institutions and agencies which
6 have agreed to support and collaborate with this program;

7 (D) Continuing assistance after a loan is made; and

8 (E) Information on training programs or technical assistance to
9 include instructions on the importance of establishing and maintaining credit,
10 seeking and obtaining state licenses and contracts, business planning and
11 management.

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13 SECTION 6. The department shall promulgate regulations to implement
14 this act.

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16 SECTION 7. This act expires on June 30, 2003.

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18 SECTION 8. All provisions of this act of a general and permanent nature
19 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
20 Revision Commission shall incorporate the same in the Code.

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22 SECTION 9. If any provision of this act or the application thereof to
23 any person or circumstance is held invalid, such invalidity shall not affect
24 other provisions or applications of the act which can be given effect without
25 the invalid provision or application, and to this end the provisions of this
26 act are declared to be severable.

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28 SECTION 10. All laws and parts of laws in conflict with this act are
29 hereby repealed.

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31 SECTION 11. EMERGENCY CLAUSE. It is hereby found and determined by the
32 Eighty-second General Assembly that the appropriation for this act goes into
33 effect on July 1, 1999; unless this act goes into effect on July 1, 1999, a
34 substantial time will elapse before the appropriated funds may be expended;
35 and to comport with the appropriation, this act should go into effect on July
36 1, 1999. Therefore, an emergency is declared to exist and this act being

1 immediately necessary for the preservation of the public peace, health and
2 safety shall become effective on July 1, 1999.

3 /s/ B. Lewellen

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6 APPROVED: 3/8/1999
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