

HB 1158 -- MISSOURI SMALL BUSINESS LOAN FUND

SPONSOR: Messenger

This bill creates the Missouri Small Business Loan Fund to be funded by a one-time \$50 million appropriation from General Revenue when net general revenue collected in a fiscal year exceeds the net general revenue collected in the previous year by at least 3.5%. Each year after the initial funding, the fund will be appropriated the amount needed to return the balance of the fund to \$50 million. The fund will be administered by the Missouri Development Finance Board and used to provide loans to Missouri companies for development projects located in Missouri that create at least one full-time county average wage job for every \$100,000 loaned. Loans cannot be more than \$5 million or exceed 30% of the total cost of the project, and will bear interest at the rate equal to the industry standard but no more than 4%.

The company applying for the loan must submit an application, a recommendation from a local community development corporation, and a credit check from a local Missouri chartered lending institution to the board and provide at least 10% of the total cost of the project. The board, when reviewing applications, must consider such factors as the potential number of new permanent jobs to be created, the amount of private sector investment, the significance of state funding to the project or project's location, the economic need of the affected community, and the importance of the project to the economic development of Missouri. The board must submit an annual report on the loans administered in the previous calendar year to the Governor, the President Pro Tem of the Senate, and the Speaker of the House of Representatives by January 15 each year.