

Subject Small Business Loan Program

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Overview

This bill modifies the eligibility requirements of the small business environmental-improvement loan program administered by the Pollution Control Agency (PCA). The bill would increase the total number of full-time equivalent (FTE) employees a borrower may have to less than 100 FTE employees (the current requirement is less than 50 FTE employees) and eliminate the \$1,000,000 cap on a borrower's net worth. The bill also modifies the interest rate used for the program by requiring it to be at or below one-half the level of the prime interest rate, not to exceed five percent. Current law requires that it be the greater of four percent or one-half the prime rate. The maximum loan amount is also increased from \$50,000 to \$75,000.

The program modifications were recommended by the PCA and passed by the legislature during the 2018 session but were not signed into law.