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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2449 Session of  
2020

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INTRODUCED BY SHUSTERMAN, ULLMAN, BRIGGS, HANBIDGE, SCHWEYER,  
KENYATTA, BURGOS, WILLIAMS, DRISCOLL, GREEN, T. DAVIS,  
LONGIETTI, YOUNGBLOOD, KORTZ, KIM, GALLOWAY, MULLINS,  
BIZZARRO, SANCHEZ, WEBSTER, CEPHAS, MADDEN, KINSEY, FRANKEL,  
OTTEN, SIMS, CIRESI, MALAGARI, DeLUCA, READSHAW, ROEBUCK,  
MERSKI, STURLA AND KOSIEROWSKI, APRIL 27, 2020

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REFERRED TO COMMITTEE ON COMMERCE, APRIL 27, 2020

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AN ACT

1 Amending Title 12 (Commerce and Trade) of the Pennsylvania  
2 Consolidated Statutes, in small business first, providing for  
3 relief during COVID-19 emergency; and making editorial  
4 changes.

5 The General Assembly of the Commonwealth of Pennsylvania  
6 hereby enacts as follows:

7 Section 1. Chapter 23 of Title 12 of the Pennsylvania  
8 Consolidated Statutes is amended by adding a subchapter heading  
9 to read:

10 SUBCHAPTER A

11 ESTABLISHMENT AND IMPLEMENTATION OF PROGRAM

12 Section 2. Chapter 23 of Title 12 is amended by adding a  
13 subchapter to read:

14 SUBCHAPTER B

15 RELIEF DURING COVID-19 EMERGENCY

16 Sec.

17 2321. Scope of subchapter.

1 2322. Definitions.

2 2323. Eligible applicants.

3 2324. Terms of assistance.

4 2325. COVID-19 small business loans.

5 2326. COVID-19 small business grants.

6 2327. Fund transfer.

7 2328. Use of money.

8 § 2321. Scope of subchapter.

9 The provisions of this subchapter shall only apply during the  
10 effective period of a disaster emergency declared by the  
11 Governor on March 6, 2020, and published at 50 Pa.B. 1644 (March  
12 21, 2020), and any renewal of the state of disaster emergency.

13 § 2322. Definitions.

14 The following words and phrases when used in this subchapter  
15 shall have the meanings given to them in this section unless the  
16 context clearly indicates otherwise:

17 "Working capital expenses." Expenses incurred by a small  
18 business for operations, excluding fixed assets and production  
19 machinery and equipment.

20 § 2323. Eligible applicants.

21 A for-profit enterprise that employs not more than five  
22 individuals shall be considered a small business and shall be  
23 eligible for assistance under this subchapter.

24 § 2324. Terms of assistance.

25 Subject to sections 2325 (relating to COVID-19 small business  
26 loans) and 2326 (relating to COVID-19 small business grants),  
27 the authority may do the following:

28 (1) Enter into loan agreements with eligible applicants  
29 under this chapter as determined by the authority.

30 (2) Waive or adjust loan requirements, repayment periods

1 and job creation or preservation requirements for small  
2 businesses located in the geographic area specified in the  
3 disaster emergency declaration.

4 (3) Accept applications for loans and other financial  
5 assistance directly from eligible applicants.

6 § 2325. COVID-19 small business loans.

7 The following shall apply:

8 (1) The authority shall approve, to the extent money is  
9 appropriated or available to the authority for the purpose,  
10 loans to eligible small businesses as provided in this  
11 section.

12 (2) A loan under this subsection may only be for working  
13 capital expenses, may not exceed \$15,000 and shall not accrue  
14 interest for the life of the loan.

15 (3) The authority may not require a payment during the  
16 first year of a loan issued under this section.

17 § 2326. COVID-19 small business grants.

18 The following shall apply:

19 (1) The authority shall approve, to the extent money is  
20 appropriated or available to the authority for the purpose,  
21 grants to eligible small businesses as provided in this  
22 section.

23 (2) A grant under this section shall be for working  
24 capital expenses and may not exceed \$15,000.

25 § 2327. Fund transfer.

26 The sum of \$100,000,000 is transferred from the Budget  
27 Stabilization Reserve Fund under section 1701-A of the act of  
28 April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, to  
29 the authority for the program under this chapter. Section 1703-A  
30 of The Fiscal Code does not apply to this section.

1 § 2328. Use of money.

2 No less than \$50,000,000 of the money transferred to the  
3 authority under section 2327 (relating to fund transfer) shall  
4 be used for programs under sections 2325 (relating to COVID-19  
5 small business loans) and 2326 (relating to COVID-19 small  
6 business grants). The remainder of the money transferred to the  
7 authority may be used for programs under this chapter, including  
8 sections 2325 and 2326.

9 Section 3. This act shall take effect immediately.