**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLE 14 TO CHAPTER 52, TITLE 48 SO AS TO ESTABLISH IN THE STATE ENERGY OFFICE THE “SOUTH CAROLINA SMALL BUSINESS MICRO GREEN LOAN PROGRAM”, TO ESTABLISH A FUND TO PROVIDE LOANS UNDER THE PROGRAM, TO PROVIDE CERTAIN DEFINITIONS, TO PROVIDE FOR ADMINISTRATION OF THE PROGRAM, TO CREATE AN ADVISORY COMMITTEE TO THE PROGRAM AND TO DESCRIBE THE COMMITTEE’S COMPOSITION, TO SPECIFY WHO MAY RECEIVE A LOAN UNDER THE PROGRAM, AND TO PROVIDE THE COMMITTEE MUST DEVELOP GUIDELINES FOR THE LOAN PROGRAM.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. This act is known and may be cited as the “South Carolina Small Business Micro Green Loan Program”.

SECTION 2. Chapter 52, Title 48 of the 1976 Code is amended by adding:

“Article 14

South Carolina Small Business Micro Green Loan Program

Section 48‑52‑1010. (A)(1) There is established in the State Energy Office the South Carolina Small Business Micro Green Loan Program to facilitate the transition of certain small businesses to the green economy.

(2) There is created in the program a fund to provide loans as provided in this article. This fund may be financed initially only from fines and fees imposed in Section 48‑1‑350, based on availability. Subsequently, the fund also may be financed through repayments of loans made. Initial funding amounts from fees are:

(a) two hundred thousand dollars in the fund’s first year of existence; and

(b) five hundred thousand dollars annually in subsequent years.

(3) The program and fund must be administered by the South Carolina Energy Office, in accordance with guidelines established by the Small Business Micro Green Loan Advisory Committee and using the services of a United States Small Business Administration 504 certified nonbank commercial lending company.

(B) For the purposes of this article:

(1) ‘Committee’ means the South Carolina Small Business Micro Green Loan Program Advisory Committee.

(2) ‘Green economy’ means efforts undertaken by a business specifically through capital investment that make changes and provide services that assist others to make changes that generally: (a) reduce energy use and greenhouse gas emissions;

(b) extract and use fewer natural resources;

(c) create less waste; and

(d) clean or eliminate environmental pollution.

(3) ‘Micro green business’ means an enterprise that employs fewer than six employees and uses thirty‑five thousand dollars or less for its capitalization.

(4) ‘Program’ means the South Carolina Small Business Micro Green Loan Program.

(5) ‘Small business’ means a business entity including a sole proprietorship, partnership, corporation, or any other legal form that:

(a) operates to generate a profit;

(b) operates a place of business in this State;

(c) operates primarily within the State or makes a significant contribution to the State economy through payment of taxes;

(d) is independently owned and operated;

(e) is not dominant in its field on a national basis;

(f) employs no more than fifty people; and

(g) complies with other requirements specified by the committee.

Section 48‑52‑1020. (A) There is created the South Carolina Small Business Micro Green Loan Program Advisory Committee consisting of eleven members appointed as follows:

(1) one member appointed by the South Carolina State Budget and Control Board;

(2) one member appointed by the Department of Commerce;

(3) one member appointed by Department of Health and Environmental Control;

(4) one member appointed by the Jobs Economic Development Corporation;

(5) one member who is a small business owner appointed by the President Pro Tempore of the Senate;

(6) one member who is a small business owner appointed by the Speaker of the House of Representatives;

(7) one member appointed by the South Carolina Small Business Chamber of Commerce;

(8) one member representing local development corporations appointed by the South Carolina Association of Councils of Government;

(9) one representative of the commercial banking industry appointed by the South Carolina Bankers Association;

(10) one representative of the credit union industry appointed by the Credit Union League; and

(11) one member from the University of South Carolina Small Business Development Center, appointed by the center.

(B) The committee annually shall elect a chairman who may serve a two‑year term. Terms of office for members are for four years and until their successors are appointed and qualify. A vacancy must be filled in the manner of original appointment for the unexpired term.

(C) The program must be staffed by the South Carolina Energy Office under the guidance of the committee.

Section 48‑52‑1030. (A) The program may provide loans to:

(1) small businesses increasing the energy efficiency of their facility or their processes; and

(2) small businesses creating or expanding services including:

(a) energy‑efficient building, construction, and retrofitting;

(b) renewable electric power;

(c) biofuel energy;

(d) deconstruction and material reuse including recycling;

(e) energy-efficient assessments for residential, commercial, or industrial sectors;

(f) the manufacture or distribution of a sustainable product using environmentally friendly processes and materials;

(g) green cleaning;

(h) novel water conservation or treatment initiatives;

(i) ecotourism; and

(j) land preservation or rehabilitation.

(B) The program only may make a loan on a one‑time basis and may make no multiyear loans.

Section 48‑52‑1040. (A) Subject to the requirements of Section 48‑52‑930, the committee shall develop guidelines to create a small business micro green loan program for start‑up micro enterprises offering services defined in Section 43‑52‑1030, existing small businesses seeking to expand into green enterprises and small businesses retrofitting their own facilities to increase energy efficiency. These guidelines must include:

(1) selection criteria and procedures which balance positive environmental impact, job creation, and sound business financial management;

(2) selection procedures for acquiring the services of an SBA 504 certified nonbank commercial lending company to manage the loan program;

(3) rules for collection and distribution of any fees associated with the program; and

(4) procedures for business or other counseling for loan recipients as appropriate.

(B) The committee annually shall report to the General Assembly on the economic and environmental outcomes of the program.”

SECTION 3. This act takes effect upon approval by the Governor.

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