**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING CHAPTER 77 TO TITLE 39 SO AS TO CREATE A STATE REVOLVING LOAN FUND TO SUPPORT BUSINESSES IN THE FOOD AND BEVERAGE INDUSTRY DURING THE COVID‑19 VIRUS EMERGENCY.

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

SECTION 1. Title 39 of the 1976 Code is amended by adding:

“CHAPTER 77

Food and Beverage Industry Relief Act

Section 39‑77‑10. (A) This chapter creates a state revolving loan fund, to be administered by the Department of Commerce, to support businesses in the food and beverage industry during the COVID‑19 virus emergency.

(B) Further, the intent of this chapter is to attract lenders specializing in support for micro‑businesses that generate economic growth in this State.

Section 39‑77‑20. (A) There is created the Business Revolving Loan Fund Program within the Department of Commerce. Subject to funding in the 2020‑2021 annual general appropriations act, the department is directed to dedicate at least five million dollars and up to ten million dollars to the program, to provide low interest loans to community development financial institutions, in order to provide funding for those lending organizations’ loans to micro‑businesses located within this State that generate economic growth and job creation but that are unable to obtain adequate credit or adequate terms for such credit.

(B) If the use of a community development financial institution is not practicable, then low interest loans may be provided to the following other local community based lending organizations: small business lending consortia, certified development companies, providers of United States Department of Agriculture business and industrial guaranteed loans, United States Small Business Administration loan providers, credit unions, and community banks.

Section 39‑77‑30. In order for a lending organization to be eligible to receive program funds, it must have established sufficient expertise to analyze businesses’ applications for program loans, evaluate the creditworthiness of businesses and regularly monitor program loans. The lending organization shall review every program loan application in order to determine, among other things, the feasibility of the proposed use of the requested financing by the micro‑business applicant, the likelihood of repayment, and the potential that the loan will generate economic development and jobs within this State. The corporation shall identify eligible lending organizations through one or more competitive statewide or local solicitations.

Section 39‑77‑40. (A) The program may not provide loans in an amount greater than twenty‑five thousand dollars. The terms of the loan may be that of a traditional business loan or that of a micro‑loan.

(B) Before receiving program funds, the lending organization must certify to the corporation that the loan complies with this chapter and that the lending organization has performed its obligations pursuant to this chapter and all agreements entered into between the corporation and the lending organization.

Section 39‑77‑50. The lending organization may charge application and commitment and loan guarantee fees pursuant to a schedule of fees adopted by the lending organization and approved by the corporation. Approved micro‑loans for five thousand dollars or less must have application fees waived.

Section 39‑77‑60. The Department of Commerce may promulgate regulations and adopt rules necessary to implement the provisions of this chapter.”

SECTION 2. This act takes effect upon approval by the Governor.

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