

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

H

1

HOUSE BILL 1227

Short Title: Self-employment Loan Program.

(Public)

Sponsors: Representatives Hardaway; Barnhill, Blue, Burke, Cunningham, Edwards, Fitch, Gist, H. Hunter, Jeralds, Kennedy, Locks, Michaux, and S. Thompson.

Referred to: Commerce.

April 12, 1989

1 A BILL TO BE ENTITLED
2 AN ACT TO CREATE A SELF-EMPLOYMENT LOAN PROGRAM TO ASSIST
3 CERTAIN PERSONS IN ESTABLISHING OR EXPANDING SMALL BUSINESS
4 VENTURES.

5 The General Assembly of North Carolina enacts:

6 Section 1. Article 7 of Chapter 143B of the General Statutes is amended by
7 adding a new Part to read:

8 **"PART 28.**

9 **"SELF-EMPLOYMENT LOAN PROGRAM.**

10 **"§ 143B-344.20. Purpose.**

11 The primary purpose of this Part is to promote the establishment and expansion of
12 small business ventures by providing low-interest loans to low-income persons, and to a
13 lesser extent and under certain circumstances, by providing grants to low-income
14 persons.

15 **"§ 143B-344.21. Self-employment Loan Program.**

16 The Department shall develop and implement a Self-employment Loan Program to
17 be conducted in coordination with the partnership programs of the State Job Training
18 Coordinating Council and any State programs designed to implement the federal Job
19 Training Partnership Act. The Department may contract with local community action
20 agencies or other local entities in administering the Program, and shall work with the
21 Department of Commerce and the Department of Human Resources in developing the
22 Program.

23 **"§ 143B-344.22. Self-employment Revolving Loan Fund.**

1 (a) A revolving loan fund, to be called the Self-employment Fund is created.
2 Any moneys appropriated to, paid to, or earned by the Fund shall be deposited with the
3 State Treasurer. The Fund shall be administered by the Department. The Department
4 shall maintain records of all loans approved, and any grants made, and shall report to
5 the General Assembly no later than January 15 of each year on the effectiveness of
6 those loans or grants in establishing and expanding small business ventures.

7 (b) The Self-employment Fund shall be used to provide loans to low-income
8 persons for establishing or expanding small businesses. The terms of the loans shall be
9 determined by the Department, but shall not be in excess of five thousand dollars
10 (\$5,000) to any single applicant or at a rate of interest to exceed five percent (5%)
11 simple interest per annum.

12 (c) The Department may provide grants not to exceed five thousand dollars
13 (\$5,000) under the Program, if the grants are used to secure additional financing from
14 private sources. The Department may provide a service fee to financial institutions for
15 administering loans provided under this Part."

16 Sec. 2. The Department of Natural Resources and Community Development
17 shall develop and implement the Program created in Section 1 of this act no later than
18 January 1, 1991.

19 Sec. 3. This act is effective upon ratification.