

“Development of Small Business Lending Funds in Alabama”

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Development of Revolving Loan Funds in Alabama:

- **1987**- Concept of RLF's First Discussed by Regional Planning & Development Councils; Led by Fred Dykes of SEARP&DC;
- **1988**-Guidance Contributed by Three Rivers Planning & Development District, Randy Kelley (MS); South Georgia RDC, John Leonard (GA); East Alabama Regional Planning & Development Commission, Bill Curtis (AL);
- **NADO** Provided Helpful Guidance in State RLF Development;
- **1988-1989**- RLF Funding Bill Passed by the Alabama Legislature; Governor Guy Hunt Did Not Sign into Law;

Development of Revolving Loan Funds in Alabama:

- **1990-** RLF Bill Passed in Legislature Again, Governor Hunt Allows It To Become Law Without His Signature; **Act 90-650** Established RLF's in Alabama Administered by Regional Commissions/Councils of Government;
- **3 Regional Councils**: Alabama Tombigbee RPC; Northwest Alabama COG and Southeast Alabama RPC Are the Initial Grantees Establishing \$750,000 RLF's (\$250,000 State Grant Used to Match \$500,000 Economic Development Administration (EDA) Grants

Development of Revolving Loan Funds in Alabama:

- **1991-1996-** Regional Staff Training (NDC/EDFP Certification) U of Oklahoma (EDI)- RLF Loan Programs Began Lending Operations;
- Other Alabama Regional COGS Obtained State & EDA Grants to Establish RLF Programs;
- Regions Established Relationships with Private Sector Lenders –Most Loaned Out All Available Funds;
- **1997-** Need to Find Innovative Method to Recapitalize RLF Small Business Loan Funding

RLF Recapitalization: State Bond Issue No. 1

- **1997-** Fred Dykes of SEARP&DC Introduced Concept of a **State Revenue Bond Issue** to Recap Regional RLF's;
- Revenue Bonds Would be Repaid From **Cellular Telecommunication Services Tax**, With **No New Tax** Placed Upon the Citizens of the State;
- Cellular Telecommunication Services Tax Was Growing at a Rapid Pace with the Growth of Cell Phones;

RLF Recapitalization: State Bond Issue No. 1

- **1998-** Original RLF Bond Issue: **\$12 Million** Issued Through Alabama RLF Bond Authority;
- \$1 Million Allocated to 12 Regions in State;
- Alabama Senate Bill 5 Passed on a 34-0 Vote; House Bill Passed on a 97-0 Vote;
- Signed into Law by Governor Fob James in March, 1998;
- Required a **“Constitutional Amendment”** to be Passed by the Citizens of Alabama;

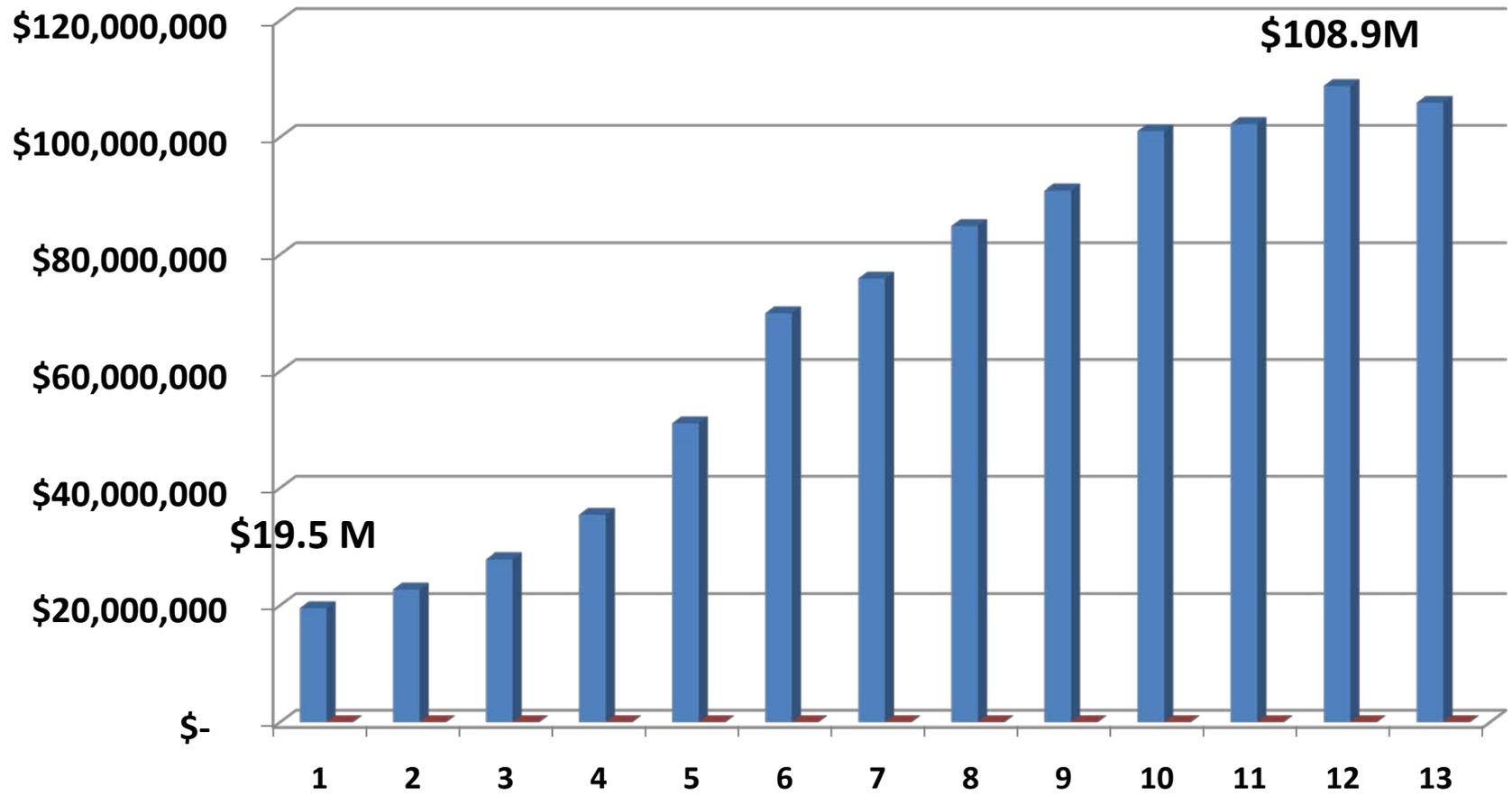
RLF Recapitalization: State Bond Issue No. 1

- **1998- “Amendment No. 1”** Passed by a **60%** Margin on the November General Election Ballot;
- **2000-** Each Region Received \$980,000 for RLF Recapitalization;
- **2000-2006-** RLF Lending Activity Expanded, with Several Regions Lending Out All Available RLF Loan Capital;
- **2006-** Alabama Regions Seek Increase of Up to **\$24 Million and Second RLF Bond Issue;**

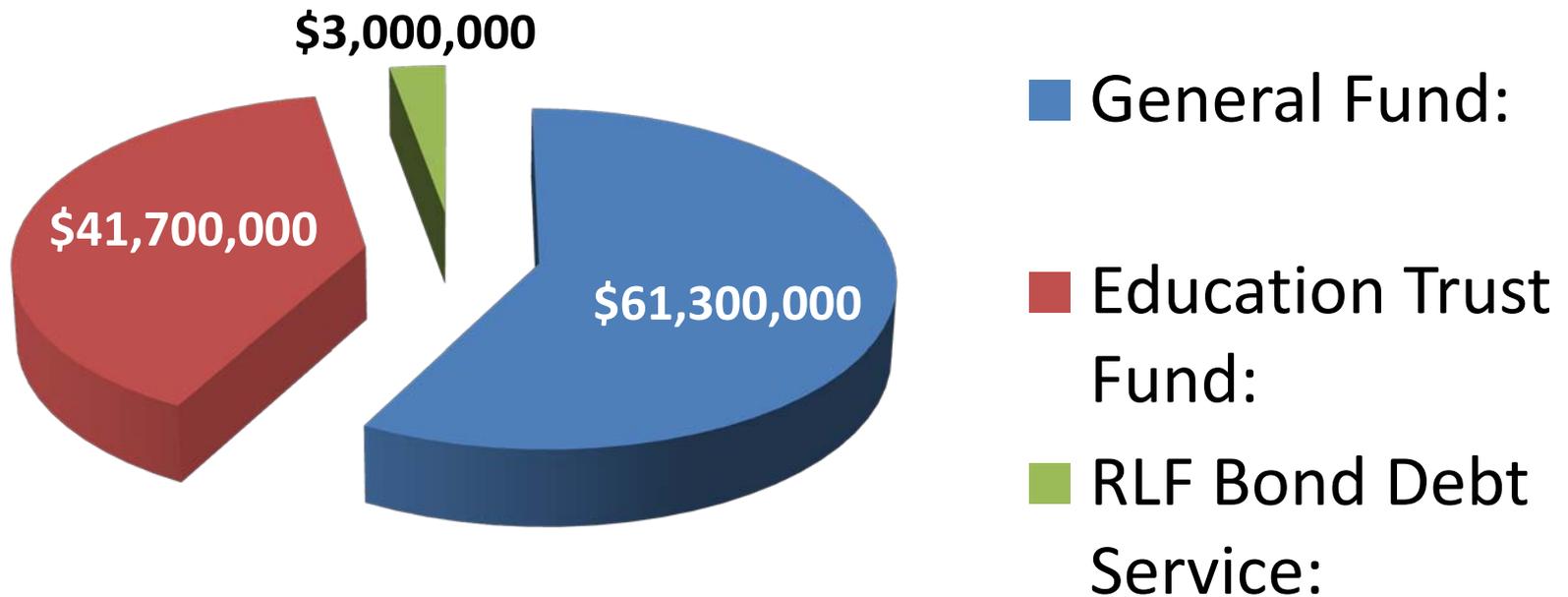
RLF Recapitalization: State Bond Issue No. 2

- Senate Bill 244 Passed In Alabama Senate on May 3, 2007 & Alabama House on May 31, 2007; Increased Bond Ceiling to **\$24 Million**
- **Act 2007-279**- Signed into Law by Governor Bob Riley on June 6, 2007;
- RLF Bonds Were Not Sold Until End of Governor Riley's Term in Office in December 2010;
- **March 2011- 2nd State RLF Bond Issue Completed** with All COGS Receiving \$937,837.00

GROWTH OF ALABAMA MOBILE TELECOMMUNICATION SERVICES TAX COLLECTIONS: FY 1998-2010



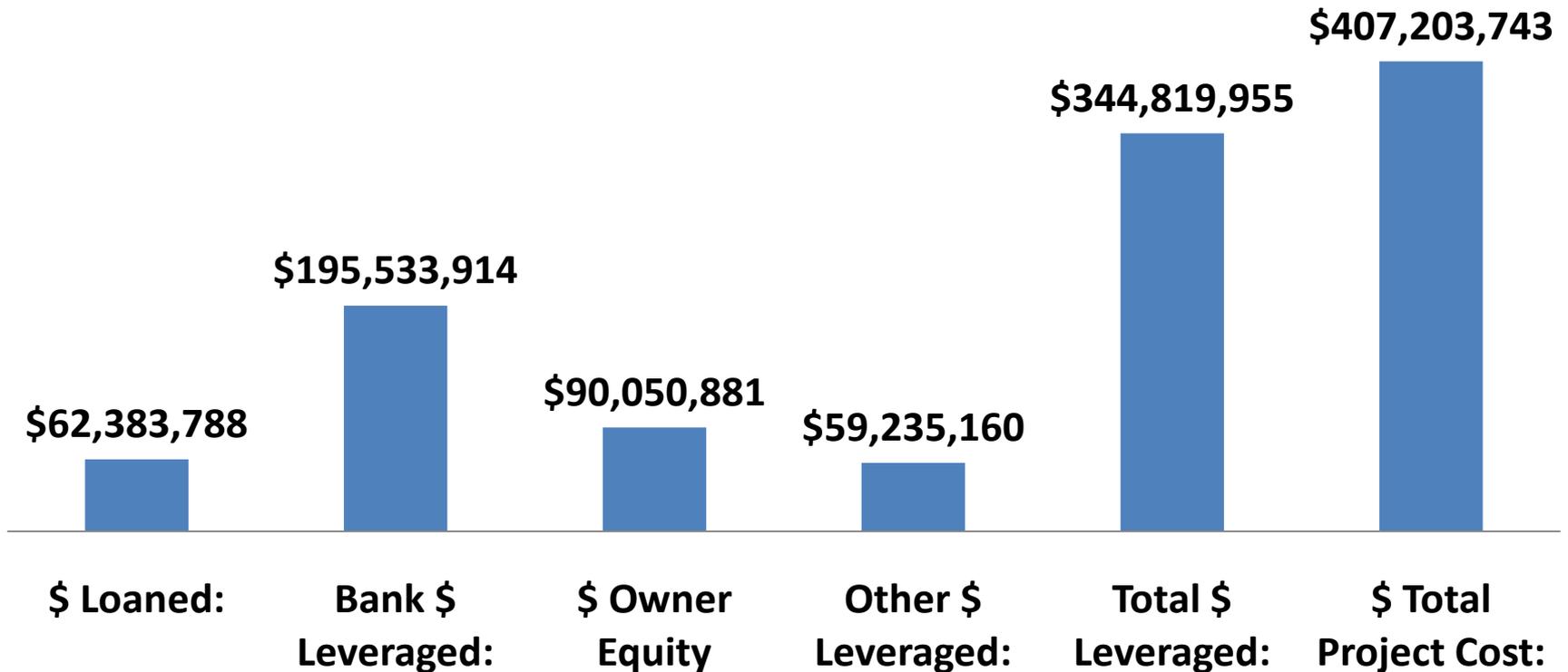
ALABAMA MOBILE TELECOMMUNICATION SERVICES TAX REVENUE ALLOCATION: 2010



Alabama Association of Regional Councils

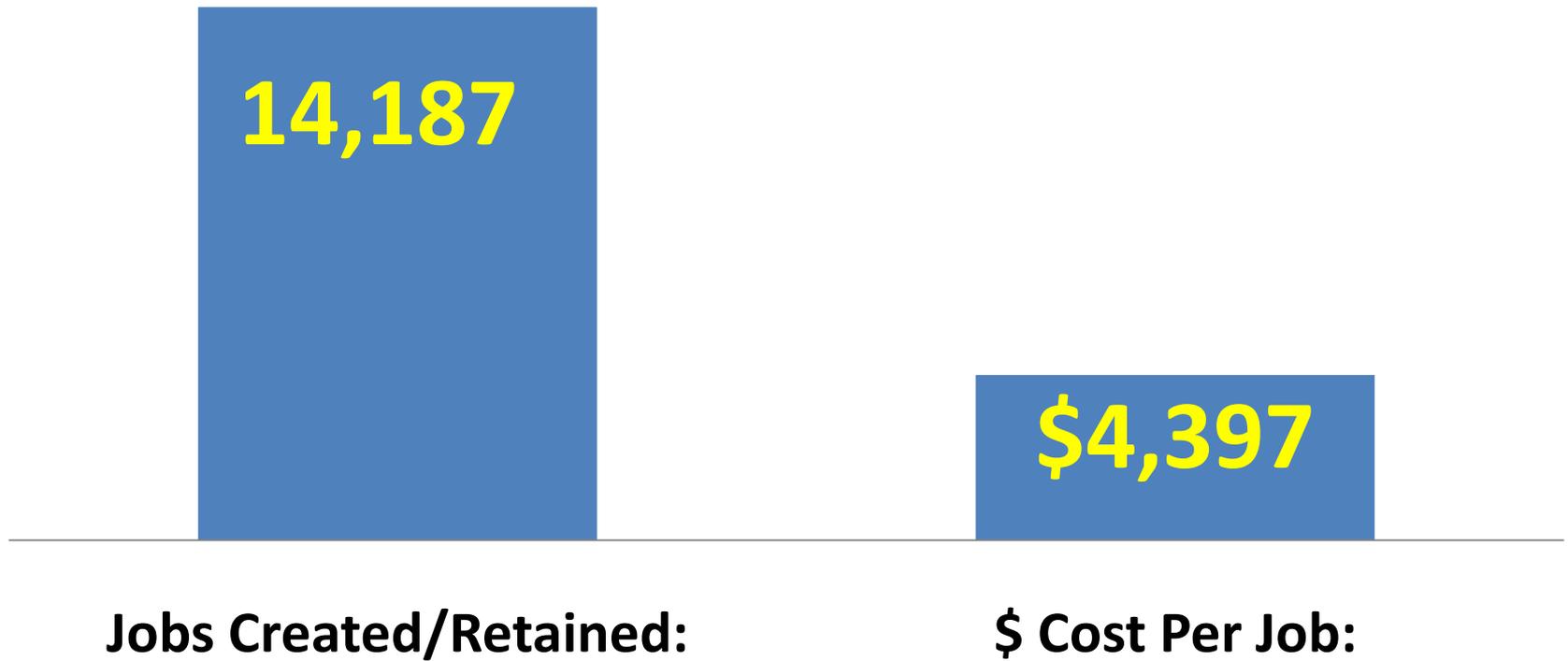
Loan Funds

(as of 6/30/2011)



Economic Impact: Alabama Regional Loan Funds

(through 6/30/2011)





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