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Representatives Goyal, Garland

**Cosponsors: Representatives Williams, S., Pryor, Pillich, Lehner, Book,
Moran, Harwood, Patten, Garrison, Letson, Phillips, Slesnick, Schneider,
Domenick, Harris, Murray, Weddington, Brown**

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A B I L L

To enact sections 166.45 to 166.51 of the Revised Code to create the Small Business Working Capital Loan Program. 1
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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 166.45, 166.46, 166.47, 166.48, 166.49, 166.50, and 166.51 of the Revised Code be enacted to read as follows: 4
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Sec. 166.45. As used in sections 166.45 to 166.50 of the Revised Code: 7
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(A) "EDGE business enterprise" has the same meaning as in section 123.152 of the Revised Code. 9
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(B) "Eligible business" means any person that has all of the following characteristics: 11
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(1) Is headquartered in this state; 13

(2) Is organized for profit; 14

(3) Had total annual sales in its most recently completed fiscal year of not more than fifty million dollars. 15
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(C) "Minority business enterprise" has the same meaning as in section 122.71 of the Revised Code. 17
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(D) "Participating lending institution" means a financial institution that is eligible to make commercial loans, is an eligible public depository of state funds under section 135.03 of the Revised Code, and agrees to participate in the small business working capital loan program. 19
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(E) "Women's business enterprise" has the same meaning as in section 150.051 of the Revised Code. 24
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Sec. 166.46. There is hereby created in the department of development the small business working capital loan program to provide a statewide availability of funds for lending purposes that will inject needed capital into the business community in order to create or preserve jobs in this state. 26
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Sec. 166.47. (A) Upon the request of the director of development, the treasurer of state may invest up to one hundred million dollars of public money of the state with participating lending institutions for purposes of the small business working capital loan program. Each such institution shall enter into an agreement with the department of development that sets out the terms and conditions under which the institution is to participate in the program. As part of that agreement, the state may forego any accrued interest owed on the amount invested with an institution if the director determines it will provide small businesses the access to credit they need to create or preserve jobs in this state. 31
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(B) Participating lending institutions shall comply fully with Chapter 135. of the Revised Code. 43
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(C) The amount invested with a participating lending institution for purposes of the program remains the property of 45
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the state. 47

Sec. 166.48. (A) The director of development shall select, as 48
administrators of the small business working capital loan program, 49
not more than two private, for-profit Ohio-based investment firms 50
to accept, review, and approve applications for loans from 51
eligible businesses and to otherwise administer the program. The 52
director shall select program administrators only after soliciting 53
and evaluating requests for proposals as prescribed in this 54
section. 55

(B) The department of development shall publish a notice of a 56
request for proposals in newspapers of general circulation in this 57
state once each week for two consecutive weeks before a date 58
specified by the department as the date on which the department 59
will begin accepting proposals. The notices shall contain a 60
general description of the subject of the proposed agreement and 61
the location where the request for proposals may be obtained. The 62
request for proposals shall include all of the following: 63

(1) Instructions and information to respondents concerning 64
the submission of proposals, including the name and address of the 65
office where proposals are to be submitted; 66

(2) Instructions regarding the manner in which respondents 67
may communicate with the department, including the names, titles, 68
and telephone numbers of the individuals to whom such 69
communications should be directed; 70

(3) Description of the factors and criteria to be considered 71
in evaluating respondents' proposals, the relative importance of 72
each factor or criterion, and description of the department's 73
evaluation procedure; 74

(4) What amount of compensation a program administrator will 75
receive, if any. 76

(C) After the date specified for receiving proposals, the 77
department shall evaluate submitted proposals. The department may 78
discuss a respondent's proposal with that respondent to clarify or 79
revise a proposal or the terms of the agreement. 80

The department shall choose for review proposals from at 81
least three respondents the department considers qualified to 82
administer the program. If three or fewer proposals are submitted, 83
the department shall review each proposal. The department may 84
cancel a request for proposals at any time before entering into an 85
agreement with a respondent. 86

After reviewing the chosen proposals, the director may select 87
not more than two such respondents and enter into a written 88
agreement with each of them. 89

(D) The selection of a program administrator and the entering 90
into an agreement under this section do not constitute a purchase 91
of services under Chapter 125. of the Revised Code. 92

Sec. 166.49. (A) The program administrators selected under 93
section 166.48 of the Revised Code shall accept and review 94
applications for working capital loans from eligible businesses. 95
Only those eligible businesses that meet the criteria established 96
by the director of development under section 166.50 of the Revised 97
Code may be approved for a working capital loan. 98

(B) Upon the approval of a loan application, the program 99
administrators shall submit all necessary information to a 100
participating lending institution at which the treasurer of state 101
has invested public money of the state for purposes of the small 102
business working capital loan program. That information shall 103
include the amount and terms of the loan and any other information 104
determined by the director. A program administrator may commit its 105
own capital as part of the aggregate amount loaned to an eligible 106
business under the program. 107

(C) The program administrators shall be responsible for 108
monitoring compliance with all loan-related documents, as well as 109
documenting the manner in which loan recipients are using the 110
working capital loan funds. The program administrators shall 111
submit monthly reports to the director that cover the number of 112
loans made under the program and the number that are in default; 113
the number of loans made to minority business enterprises, women's 114
business enterprises, and EDGE business enterprises; the progress 115
made by the program in meeting the goal established by the 116
director under division (C) of section 166.50 of the Revised Code; 117
how the loan funds are being used; the number of jobs created or 118
preserved in this state as a result of the loans; the overall 119
progress of the program; and any other information determined by 120
the director. 121

Sec. 166.50. In order to implement the small business working 122
capital loan program, the director of development shall do all of 123
the following: 124

(A) Establish the criteria that must be met by an eligible 125
business in order to receive a loan under the program. In 126
determining those criteria, priority shall be given to the 127
economic needs of the area in which the business is located, the 128
number of jobs to be created or preserved in this state by the 129
receipt of a loan, and such other factors related to the overall 130
economic welfare of the state as the director considers 131
appropriate to determine the relative financial need of the 132
eligible business. The director shall also establish the minimum 133
and maximum amounts that may be loaned to, and the maximum credit 134
risk of, eligible businesses under the program. 135

(B) Prescribe the loan application form to be used by 136
eligible businesses for purposes of the program. On the loan 137
application an eligible business shall be required to certify that 138

the loan will be used to create new jobs or preserve existing jobs 139
and employment opportunities in this state and to acquire tangible 140
personal property to be used in the business. Whoever knowingly 141
makes a false statement concerning such application is guilty of 142
the offense of falsification under section 2921.13 of the Revised 143
Code. 144

(C) Establish a goal for lending to eligible businesses that 145
are minority business enterprises, women's business enterprises, 146
and EDGE business enterprises. The goal shall be in the form of a 147
specified percentage of the total amount of money the state 148
invests with participating lending institutions for purposes of 149
the program. 150

(D) Establish the terms under which a program administrator 151
may commit its own capital as part of a working capital loan. 152

Sec. 166.51. The director of development may use, as part of 153
the small business working capital loan program, any federal money 154
made available to the state for the purpose of providing working 155
capital assistance to small businesses. In the event the federal 156
money is required by the federal government to be used in a manner 157
other than as prescribed by sections 166.45 to 166.50 of the 158
Revised Code, the director of development may modify the small 159
business working capital loan program set forth in those sections 160
in order to meet the federal guidelines. 161