



**State Representatives
Jay P. Goyal**

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Rep. Goyal Introduces Legislation to Help Small Businesses, Create Jobs

COLUMBUS - State Representatives Jay P. Goyal (D-Mansfield) and Nancy Garland (D-New Albany) recently introduced legislation to create a capital loan program designed to support small businesses across the state. The program will prioritize awards for small businesses that have the greatest potential for job creation and retention, a vital aspect of Ohio's economic recovery.

"This bill's priorities are to encourage economic development across Ohio and to provide small businesses with the working capital they need to maintain and create jobs," Rep. Goyal said. "Closing the budget gap is our most daunting task this general assembly and legislative solutions like the one Rep. Garland and I are proposing, which provides economic solutions without incurring debt or pulling from the General Revenue Fund, are exactly the sort of innovative ideas we need to bring Ohio out of this recession."

The bill will establish the Small Business Working Capital Loan Program to inject vital capital into Ohio's small businesses and help get Ohio's men and women back into the workplace. Using a line of credit from a participating bank and the state, an investment firm will loan the money to eligible businesses. The legislation authorizes the state to forego interest on its investment with the bank so that it can be used as a reserve to protect the bank against losses.

The ground rules established by the bill require that eligible businesses be headquartered in Ohio, organized for profit and have annual sales of at least \$1 million but not more than \$50 million.

Ohio Venture Capital Authority Bill

In a bill related to the proposed legislation for the Small Business Working Capital Loan Program, Rep. Goyal and Representative Sandra Williams (D-Cleveland) introduced a proposal to expand the investment capacity of the Ohio Venture Capital Authority by at least \$100 million.

The Ohio Venture Capital Authority (OVCA) was established to help increase private investment in Ohio companies in the early stages of business development. The OVCA does not use state tax dollars or General Revenue Funds, and the bonds issued do not count towards the State's debt ceiling. The fund is capitalized by the issuance of bonds supported primarily by the investments of the fund and secondarily by contingent tax credits.

"These challenging economic times require strategic investment in our economy and our future," Rep. Goyal said. "Investing in Ohio's entrepreneurs and supporting emerging businesses through the Ohio Venture Capital Fund will help create good-paying jobs and position Ohio for a successful recovery as the national recession lifts."

A study examining 2008's venture capital investment by Ohio State's Fischer College of Business indicates, "a nearly 50-percent increase in Ohio's seed and early-stage venture capital Investment dollars year over year while the national levels of seed and early-stage investment decreased by 20 percent." This has created an estimated 1,400 jobs with over \$90 million of estimated annual payroll.

Both bills are expected to be up for committee assignment sometime this week.