

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1001 be amended to read as follows:

1 Page 106, between lines 7 and 8, begin a new paragraph and insert:
2 "SECTION 46. IC 5-28-32-4, AS ADDED BY P.L.162-2007,
3 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2011]: Sec. 4. (a) Subject to section 5 of this chapter, the
5 corporation may make a loan from the fund to a business located in
6 Indiana if the corporation makes a written finding that the loan would
7 accomplish the purposes of this chapter by enabling the business to
8 carry out a project or projects that will do any of the following:
9 (1) Improve the technological capacity or productivity of the
10 business.
11 (2) Enhance the protection of Indiana's environment.
12 (3) Permit the business to expand facilities, establish new
13 facilities, or make site improvements or infrastructure
14 improvements.
15 **(b) Subject to IC 5-28-35, the corporation may make a loan**
16 **from the fund to a small business located in Indiana if the**
17 **corporation makes a written finding that the loan would**
18 **accomplish the purposes of this article by enabling the small**
19 **business to expand employment opportunities for Indiana**
20 **residents.**
21 SECTION 47. IC 5-28-35 IS ADDED TO THE INDIANA CODE
22 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2011]:

1 **Chapter 35. No Interest Small Business Loans**

2 **Sec. 1. As used in this chapter, "fund" means the business**
3 **development loan fund established by IC 5-28-32-2.**

4 **Sec. 2. As used in this chapter, "qualified employee" means an**
5 **individual who:**

6 **(1) is a full-time employee (as defined in IC 6-3.1-13-4) first**
7 **hired by a small business after June 30, 2011;**

8 **(2) is a resident of Indiana;**

9 **(3) is not more than a five percent (5%) shareholder, partner,**
10 **member, or owner of the applicant; and**

11 **(4) was unemployed:**

12 **(A) on the calendar day immediately preceding the day**
13 **that the individual was hired by a small business; and**

14 **(B) for a period of at least ninety (90) days immediately**
15 **preceding the day that the individual was hired by a small**
16 **business;**

17 **as determined by the corporation. The term does not include**
18 **rehired individuals, individuals employed to fill positions vacated**
19 **as the result of a layoff that occurred during the previous two (2)**
20 **years, an individual hired to fill a vacant position that was**
21 **originally created by the hiring of a qualified employee, or**
22 **individuals employed in the same business operation before and**
23 **after a change of business ownership.**

24 **Sec. 3. As used in this chapter, "small business" means a**
25 **business entity that satisfies the following requirements:**

26 **(1) On at least fifty percent (50%) of the working days of the**
27 **business entity occurring during the preceding calendar year,**
28 **the business entity employed not more than one hundred fifty**
29 **(150) employees.**

30 **(2) The majority of the employees of the business entity work**
31 **in Indiana.**

32 **Sec. 4. A small business may apply to the corporation for a loan**
33 **from the fund. A small business must use the proceeds of a loan**
34 **received under this chapter to pay costs incurred to hire and train**
35 **qualified employees. The maximum amount of a loan that may be**
36 **made under this chapter is the lesser of the following:**

37 **(1) An amount equal to fifteen percent (15%) of the total**
38 **amount of compensation paid to the qualified employees hired**
39 **by the small business in the state fiscal year preceding the**
40 **state fiscal year in which the small business applies for a loan**
41 **under this chapter.**

42 **(2) Five thousand dollars (\$5,000).**

43 **Sec. 5. The corporation may make a loan from the fund to a**
44 **small business located in Indiana if the corporation makes a**
45 **written finding that the loan would accomplish the purposes of this**
46 **article by enabling the small business to expand employment**
47 **opportunities for Indiana residents. However, the maximum**

1 amount of loans that may be made in a particular state fiscal year
2 may not exceed one million dollars (\$1,000,000).

3 **Sec. 6. With respect to any loan made under section 5 of this**
4 **chapter, a loan agreement between the corporation and the small**
5 **business must contain the following terms:**

6 (1) A requirement that the loan proceeds be used for the
7 purposes specified in section 4 of this chapter.

8 (2) The term of the loan, which must not be later than seven
9 (7) years after the date of the loan.

10 (3) The repayment schedule, which is not required to begin
11 until July 1 of the state fiscal year succeeding the state fiscal
12 year in which the loan was made by two (2) years.

13 (4) That the corporation may not charge the small business
14 interest on the loan.

15 (5) That repayment of the loan may be accelerated if the
16 corporation determines that the small business has moved,
17 closed, or transferred employment positions out of Indiana.

18 (6) Any other terms and provisions the corporation requires.

19 **Sec. 7. The corporation may waive or modify the acceleration of**
20 **the loan under an agreement described in section 6 of this chapter**
21 **if the corporation determines that the small business has moved,**
22 **closed, or transferred employment positions out of Indiana because**
23 **of circumstances beyond the person's control, including:**

24 (1) natural disaster;

25 (2) unforeseen industry trends;

26 (3) lack of available labor force; or

27 (4) loss of a major supplier or market."

28 Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed February 21, 2011.)

Representative Riecken