

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WITHDRAWN	Noes _____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

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1485 be amended to read as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 employment.
- 4 Page 1, between the enacting clause and line 1, begin a new
- 5 paragraph and insert:
- 6 "SECTION 1. IC 5-28-35 IS ADDED TO THE INDIANA CODE
- 7 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 8 JULY 1, 2011]:
- 9 **Chapter 35. No Interest Small Business Loans**
- 10 **Sec. 1. As used in this chapter, "fund" means the state general**
- 11 **fund.**
- 12 **Sec. 2. As used in this chapter, "qualified employee" means an**
- 13 **individual who:**
- 14 **(1) is a full-time employee (as defined in IC 6-3.1-13-4) first**
- 15 **hired by a small business after June 30, 2011;**
- 16 **(2) is a resident of Indiana;**
- 17 **(3) is not more than a five percent (5%) shareholder, partner,**
- 18 **member, or owner of the applicant; and**
- 19 **(4) was unemployed:**
- 20 **(A) on the calendar day immediately preceding the day**
- 21 **that the individual was hired by a small business; and**
- 22 **(B) for a period of at least ninety (90) days immediately**
- 23 **preceding the day that the individual was hired by a small**
- 24 **business;**

1 as determined by the corporation. The term does not include
2 rehired individuals, individuals employed to fill positions vacated
3 as the result of a layoff that occurred during the previous two (2)
4 years, an individual hired to fill a vacant position that was
5 originally created by the hiring of a qualified employee, or
6 individuals employed in the same business operation before and
7 after a change of business ownership.

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

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

14 (2) **The majority of the employees of the business entity work**
15 **in Indiana.**

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

21 (1) **An amount equal to fifteen percent (15%) of the total**
22 **amount of compensation paid to the qualified employees hired**
23 **by the small business in the state fiscal year preceding the**
24 **state fiscal year in which the small business applies for a loan**
25 **under this chapter.**

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

27 **Sec. 5. The corporation may make a loan from the fund to a**
28 **small business located in Indiana if the corporation makes a**
29 **written finding that the loan would accomplish the purposes of this**
30 **article by enabling the small business to expand employment**
31 **opportunities for Indiana residents. However, the maximum**
32 **amount of loans that may be made in a particular state fiscal year**
33 **may not exceed one million dollars (\$1,000,000).**

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

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

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

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

44 (4) **That the corporation may not charge the small business**
45 **interest on the loan.**

46 (5) **That repayment of the loan may be accelerated if the**
47 **corporation determines that the small business has moved,**

1 **closed, or transferred employment positions out of Indiana.**
2 **(6) Any other terms and provisions the corporation requires.**
3 **Sec. 7. The corporation may waive or modify the acceleration of**
4 **the loan under an agreement described in section 6 of this chapter**
5 **if the corporation determines that the small business has moved,**
6 **closed, or transferred employment positions out of Indiana because**
7 **of circumstances beyond the person's control, including:**
8 **(1) natural disaster;**
9 **(2) unforeseen industry trends;**
10 **(3) lack of available labor force; or**
11 **(4) loss of a major supplier or market."**
12 Renumber all SECTIONS consecutively.
 (Reference is to HB 1485 as printed February 18, 2011.)

Representative Riecken