



Representative Jena Powell

Ohio's 80th House District

Good morning Chairman Jordan, Vice Chair Hillyer, Ranking Member Crossman, and members of the Financial Institutions Committee. Thank you for giving me the opportunity to present sponsor testimony on H.B. 312 – the Small Business Crowdfunding Act.

I'm on a mission to make Ohio the most business friendly state in the nation.

The Small Business Crowdfunding Act was passed by both House and Senate in the last General Assembly, it did not ultimately pass because there were other legislative items added to the bill in the Senate that the House did not concur with. It was helmed by former Representative Steve Arndt.

H.B. 312 will allow Ohioans to raise up to \$5 million in intrastate equity crowdfunding that can be used to start, grow, or expand their businesses.

The Small Business Crowdfunding Act accomplishes four main objectives:

- 1) Helps businesses have a strong start in Ohio by allowing businesses to raise money in the state through crowdfunding
- 2) Provides Ohio businesses with customers and loyal advocates who want to support and grow businesses and are financially invested in their success
- 3) It provides Ohio businesses with a more efficient and an alternative option for raising capital through the option of crowdfunding
- 4) Has safeguards in place to protect Ohio consumers, and provides penalties for those who conduct deceptive acts

If we pass the Small Business Crowdfunding Act, we will save small businesses money by allowing them to bypass costly and timely SEC securities filings. This bill will provide Ohioans with another way to raise capital to start, grow, or expand their small businesses in Ohio.

Some of the guidelines are as follows:

- The business must have 80% of its assets in the state of Ohio.
- 80% of the money must be spent in Ohio.
- Only Ohio residents can purchase securities.

- An investor is limited to \$10,000 contribution per year (unless they are a federally accredited investor).
- All “OhioInvests offerings” must be made through a website operated by a portal operator, who is required to provide disclosures to investors, and records to the Division of Securities.
- The cap for how much a small business can raise through intrastate crowdfunding per year is \$5 million.

Ohioans and Ohio small business owners will benefit from this bill because it provides them with a more efficient way of funding their businesses or ideas, lowers Ohio small business costs by providing an alternative to burdensome regulation, encourages investment in Ohio business by Ohioans, and sends a strong message to neighboring states that Ohio is open for business and we want entrepreneurs to find a home in our great state.

Thank you, and I am happy to answer any questions from the committee at this time.