

House Bill 601 – Sponsor Testimony
House Commerce and Labor Committee
Representative Dorothy Pelanda
November 15, 2016

Chairman Young, Vice-Chair DeVitis, Ranking Member Lepore-Hagan and members of the House Commerce and Labor Committee - thank you for the opportunity to present House Bill 601 today.

HB 601 creates a statutory definition of “microbusiness” in the state of Ohio. Under the proposed bill, microbusiness will be defined as:

“An independently owned and operated for-profit business entity, including any affiliates, that has fewer than twenty full-time employees or part-time equivalent employees and is located in this state.”

Current Ohio law provides several definitions in relation to “Small Business”. In ORC section 1109.35, it reads:

“Small business” means any corporation, partnership, proprietorship, limited liability company, or other entity that either does not have more than four hundred employees, or would qualify as a small business for the purpose of receiving financial assistance from small business investment companies licensed under the “Small Business Investment Act of 1958”.”

In ORC section 107.63 under the Small Business Advisory Council definition: "small business" means an independently owned and operated for-profit or nonprofit business entity, including affiliates, that has fewer than five hundred full time employees or gross annual sales of less than six million dollars, and has operations located in the state.”

The reason for defining “Microbusiness” is to properly recognize that 97% of small businesses in Ohio (according to US Small Business Administration statistics) would fall under the verbiage created with this bill. Microbusinesses add value to our economy by creating jobs, enhancing income, strengthening purchasing power, lowering costs and adding business convenience, yet they typically have limited access to commercial lending.

With this formal recognition in the ORC as a first step, further actions can be taken in future legislation to address issues specific to this wide array of business entities in Ohio.

I appreciate your attention to my testimony today and would be happy to answer any questions you may have at this time. Thank you, Mr. Chairman.