



House Bill 10: Intrastate Crowdfunding
Written Testimony
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Chairman LaRose and members of the Ohio Senate Transportation, Commerce, and Workforce Committee, thank you for the opportunity to provide written testimony regarding intrastate crowdfunding, House Bill 10 (HB 10). The Greater Cleveland Partnership (GCP) and its small business division, the Council of Smaller Enterprises (COSE), represent the most comprehensive small, middle market, and large business organization in the state with more than 8,500 business members in Northeast Ohio. On behalf of our members, we appreciate the opportunity to offer support for intrastate crowdfunding in Ohio.

Securing traditional sources of capital for the small business community can still serve as a challenge; barriers and excessive paperwork can impede progress. Fresh funding opportunities and mechanisms to meet the need are welcome and can assist in a business' effort to grow. Access to capital promotes stability and greater predictability and can allow entrepreneurs to create jobs and thrive in an ever-changing environment.

Additional ways for the business community to gain needed assets and leverage different funding streams can also aid our state economy and make Ohio even more attractive than our regional, national, and global competitors. The importance of continuing to make strides to maintain an economic environment conducive to startup entrepreneurship cannot be understated and the need for Ohio not to lose ground on strides made in other states is critical to our collective success.

Under the Securities Act of 1933, the offer and sale of securities must be registered unless an exemption from registration is available. As you may know, 48 states have enacted exemptions within existing federal law that allow local small businesses and entrepreneurs to use intrastate equity crowdfunding to help grow their businesses by tapping into those within their state's borders. Allowing Ohio investors to simply and safely invest in local businesses has the potential to redirect massive amounts of capital into local wealth generation, economic development and job creation.

GCP and our partners have long been in favor of expanding access to early stage capital and we support our entrepreneurs in numerous ways daily. We are appreciative of the legislature's desire to implement creative financing and programming in Ohio. The goal of this legislation is a step in the right direction and we welcome the opportunity to continue working with you to foster a strong, vibrant business community in Ohio.