

HOUSE BILL No. 1423

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-28-2-4.5; IC 5-28-21.5.

Synopsis: Microenterprises. Establishes the microenterprise fund, which shall be administered by the Indiana economic development corporation (corporation). Provides that the corporation may provide a microloan to a business that qualifies as a microenterprise. Provides that the corporation may enter into contracts necessary for the administration of the microenterprise fund. Makes an allocation.

Effective: January 1, 2021 (retroactive).

Smaltz

January 14, 2021, read first time and referred to Committee on Commerce, Small Business and Economic Development.



First Regular Session of the 122nd General Assembly (2021)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2020 Regular Session of the General Assembly.

HOUSE BILL No. 1423

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 5-28-2-4.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2021 (RETROACTIVE)]: **Sec. 4.5. "Microenterprise"**
4 **has the meaning set forth in IC 5-28-21.5.**
5 SECTION 2. IC 5-28-21.5 IS ADDED TO THE INDIANA CODE
6 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
7 JANUARY 1, 2021 (RETROACTIVE)]:
8 **Chapter 21.5. Microenterprises**
9 **Sec. 1. This chapter applies only to microenterprises.**
10 **Sec. 2. As used in this chapter, "fund" refers to the**
11 **microenterprise fund established by section 5 of this chapter.**
12 **Sec. 3. As used in this chapter, "microenterprise" means a**
13 **domestic company that meets the following requirements:**
14 **(1) On at least fifty percent (50%) of the working days of the**
15 **business entity occurring during the preceding calendar year,**
16 **the business entity employed not more than five (5) full-time**
17 **employees.**



- 1 (2) For the preceding fiscal year, the company earned not
2 more than five hundred thousand dollars (\$500,000) of gross
3 annual revenue.
- 4 (3) For the preceding fiscal year, the company earned not
5 more than one hundred twenty-five thousand dollars
6 (\$125,000) of net annual revenue.
- 7 Sec. 4. As used in this chapter, "microloan" means a business
8 loan of not more than twenty-five thousand dollars (\$25,000).
- 9 Sec. 5. (a) The microenterprise fund is established within the
10 state treasury. The fund is a revolving fund. The fund shall be used
11 to provide loans and loan guarantees under this chapter.
- 12 (b) The fund consists of appropriations from the general
13 assembly and loan repayments.
- 14 (c) The corporation shall administer the fund. The following
15 may be paid from money in the fund:
- 16 (1) Expenses of administering the fund.
- 17 (2) Nonrecurring administrative expenses incurred to carry
18 out the purposes of this chapter.
- 19 (d) The treasurer of state shall invest the money in the fund not
20 currently needed to meet the obligations of the fund in the same
21 manner as other public funds may be invested. Interest that
22 accrues from these investments shall be deposited in the state
23 general fund.
- 24 (e) Earnings from loans made under this chapter shall be
25 deposited in the fund.
- 26 (f) Money in the fund at the end of a state fiscal year does not
27 revert to the state general fund.
- 28 Sec. 6. (a) The corporation shall perform the following duties:
- 29 (1) Establish and implement the policies and procedures to be
30 used by the corporation in the administration of the fund.
- 31 (2) Establish criteria for awarding loans from the fund.
- 32 (3) Review and approve or disapprove applications for loans
33 from the fund.
- 34 (4) Establish the terms of loans from the fund.
- 35 (5) Award the loans approved under this chapter.
- 36 (6) Provide the staff and other resources necessary to
37 implement this chapter.
- 38 (7) Prepare and distribute to appropriate entities throughout
39 Indiana requests for proposals for the organization and
40 operation of local pools.
- 41 (8) Conduct conferences and seminars concerning the fund.
- 42 (b) The corporation may enter into contracts necessary for the



1 **administration of this chapter, including contracts for servicing**
2 **loans from the fund.**
3 **Sec. 7. (a) An obligation of the program for losses on loans**
4 **resulting from death, default, bankruptcy, or total or permanent**
5 **disability of borrowers is not a debt of the state but is payable**
6 **solely from the fund.**
7 **(b) The making of loans from the fund does not constitute the**
8 **lending of credit by the state for purposes of any other statute or**
9 **the Constitution of the State of Indiana.**
10 **SECTION 3. An emergency is declared for this act.**

