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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Legislative Budget
Office

S.B. 166
135th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Sens. Sykes and Reynolds

Austin C. Strohacker, Attorney

SUMMARY

- Allows minority business enterprise (MBE) loans to be used to increase working capital.
- Caps the aggregate amount lent for that purpose at \$500,000.

DETAILED ANALYSIS

Minority business enterprise loans

Minority business enterprise (MBE) loans are loans provided by the Director of Development (with Controlling Board approval), either directly or through intermediaries such as community improvement corporations, to businesses owned and controlled by members of one of the following groups: African Americans, American Indians, Hispanics or Latinos, and Asians.¹

Under continuing law, changed in part by the bill, MBE loans may be used for procuring or improving real or personal property for the business, for contract financing, and for providing funding to community development corporations that predominately benefit minority businesses or communities.²

The bill would permit MBE loans to be used for the additional purpose of increasing a minority business enterprise's working capital – the money immediately available for business use.³ Loans used to increase working capital would not be subject to the requirement that MBE

¹ R.C. 122.71(E).

² R.C. 122.76(B).

³ See Cambridge Dictionary's [definition of working capital](https://dictionary.cambridge.org), which is available at dictionary.cambridge.org.

loans not exceed 75% of the total amount expended for a particular project. The bill limits to aggregate amount of MBE loans used to increase working capital to \$500,000.⁴

HISTORY

Action	Date
Introduced	10-03-23

ANSB0166IN-135/ts

⁴ R.C. 122.71(B) and 122.76(B)(2), (C)(4), and (G).