

FISCAL IMPACT OF PROPOSED LEGISLATION

80th Oregon Legislative Assembly – 2020 Regular Session
Legislative Fiscal Office

Measure: SB 1502

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Establishes Agricultural Cooperative Member Low-Interest Loan Fund.

Government Unit(s) Affected:

Oregon Department of Agriculture (ODA), Oregon State Treasurer (OST)

Analysis:

This fiscal impact statement is for the purpose of transmitting the measure from the Senate Committee On General Government and Emergency Preparedness to the Joint Committee on Ways and Means.

The measure establishes the Agricultural Cooperative Member Low-Interest Loan Fund. The measure appropriates an unspecified amount from the General Fund to the Oregon Department of Agriculture (ODA) for deposit in the Agricultural Cooperative Member Low-Interest Loan Fund, which is established in the Oregon State Treasury (OST), for the biennium ending June 30, 2021. The fund is continuously appropriated to ODA for carrying out a loan program to help farmers transition to production of high viability crops. Moneys in the fund may be invested by OST. The loan program is operative January 1, 2021.

ODA may:

- Make loans from the fund to farmers that were members of an agricultural cooperative on the date that cooperative initiated bankruptcy proceedings.
- Delegate application processing and loan servicing to lending institutions. Moneys collected by a lending institution and paid to ODA are deposited to the credit of the General Fund.
- Declare borrowers in default and immediately require repayment or begin proceedings to recover the unpaid balance of the loan if the borrower violates the loan terms.
- Adopt rules to the prescribe the interest rate for loans.
- Work with borrowers on a reduced payment schedule if there are extenuating circumstances.

The measure sunsets the loan program and abolishes the Agricultural Cooperative Member Low-Interest Loan Fund January 2, 2040 and reverts remaining funds to the General Fund. Loans may not be made after December 31, 2025.

The measure is anticipated to have an impact on ODA and OST.

A more complete fiscal analysis on the measure will be prepared as the measure is considered in the Joint Committee on Ways and Means.

Further Analysis Required