

Legislative Fiscal Office

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Joint Committee on Ways and Means

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To: Transportation and Economic Development Subcommittee

From: Matt Stayner, Legislative Fiscal Office

Date: June 14, 2021

Subject: HB 2266 – Relating to business assistance
Work Session Recommendations

HB 2266 creates two distinct programs at the Oregon Business Development Department. The measure creates a program to make awards to fund loan-loss reserves of qualified lenders for the purpose of increasing lending to business owners who currently lack access to capital to start or grow their business. Awards are to be provided to qualified lenders based on a competitive proposal process. A General Fund appropriation of \$10 million is included in the bill for the purpose of operating the program.

The measure also creates a direct loan program at the Oregon Business Development Department for the purpose of making loans to certain eligible business that have been certified by the Certification Office for Business Inclusion and Diversity and have been referred to the department by a technical assistance provider. The measure establishes the Disadvantaged and Emerging Small Business Loan Fund for the purpose of making the loans and appropriates \$10.0 million General Fund for deposit in the fund.

The -A4 amendment makes changes to the bill relating to loan-loss agreements with lenders, removing the provision that allows the agency to assign certain collection efforts to the Department of Revenue upon request of the lender.

Recommended Changes

LFO recommends adoption of the -A4 amendment.

Final Subcommittee Action

LFO recommends that HB 2266, as amended by the -A4 amendment, to be moved to the Ways and Means Full Committee.

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____