

Oregon State Senate Finance and Revenue Committee
State Capitol Building
900 Court Street NE
Salem, Oregon 97301



Re: SB 137 and Emergency Aid to Small Businesses

Dear Chairwoman Burdick and members of the Committee:

Thank you for your continued attention to the economic challenges facing small businesses in Oregon. The Main Street Alliance of Oregon, a network of over 3,000 small businesses, urges additional action, now.

One step would be to disconnect from the CARES Act tax giveaways. We support disconnecting Oregon from three federal tax provisions, saving the state \$225 million in the current biennium. The three provisions are of no benefit for small businesses, especially those in rural communities. At least some of those funds could be deployed in grants to small businesses affected by COVID-19.

Oregon is a small-business state, with vast rural areas. Oregonians rely on small businesses for employment and daily needs. Rural Oregon has higher concentrations of small businesses led by women, people of color, immigrants, and tribal members. We stand to lose hundreds of them, especially in rural areas.

Main Street Economic Recovery

Any new or improved program must account for the structural inequalities—racial, gender, socioeconomic—that existed before COVID. Emergency funding and other support needs to flow immediately to underserved communities, and representatives of those communities must participate in the execution of all recovery-focused reforms. Legislative action should be based on the following principles:

- **Grants, not loans** – our members tell us that more debt will put recovery beyond reach
- **Targeted support for businesses owned by women, people of color, immigrants and tribal members** – typically left out of federal programs because they lack relationships with lenders
- **Low eligibility threshold** – grants should be related to the percentage loss in revenue
- **Additional supports for sole proprietors** to maintain employment
- **Assistance for new businesses** – which have been left out of many existing programs
- **Targeted outreach** to ensure equitable access for rural, BIPOC and women owners
- **Childcare** – a critical foundation for reopening our economy

Main Street Alliance advanced grant programs in other states; and we are eager to brief you on it. We link here two Vermont programs enacted in the wake of COVID that could be models:

- [Authorizing \\$50 million](#) in direct grants to businesses and \$20 million to be distributed through economic development agencies
- [Authorizing more than \\$200 million](#) for broadband connectivity, housing, and economic relief

We urge the Committee to look at all possible ways to support the small business that power Oregon's economy. 2020 has been an extremely challenging year for small businesses, which have seen record closings and losses while the corporations that dominate our economy at the expense of small businesses have seen record profits. Our representatives must do everything in their power to help tilt the scales back toward Main Street businesses. Directing this portion of CARES fact funding toward continued aid to the small businesses most hurt by the pandemic is one such measure. Our members are desperate for action.

Thank you,

Jim Houser
Main Street Alliance of Oregon Co-Chair

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