HB 4015   STAFF MEASURE SUMMARY

Carrier: Rep. Lively

House Committee On Economic Recovery and Prosperity

Action Date:	02/09/22
Action:	Do Pass.
Vote:	10-0-0-0
Yeas:	10 - Bonham, Cate, Hudson, Kropf, Levy, Lively, Prusak, Ruiz, Wallan, Witt
Fiscal:	No fiscal impact
Revenue:	No revenue impact
Prepared By:	Michael Lantz, LPRO Analyst
Meeting Dates:	2/7, 2/9

WHAT THE MEASURE DOES:

Makes changes to the Entrepreneurial Development Loan Fund program administered by the Oregon Business Development Department (Business Oregon). Raises the loan amount cap for individual businesses to $1 million and allows Business Oregon to adjust the cap starting in 2023 to account for changes in the Consumer Price Index. Increases the maximum revenue a business eligible for the loan can have to $1.5 million per year while limiting eligibility to businesses with fewer than 25 employees. Provides that loan recipients must be able to provide equity funds for the project of fifteen percent if the loan is for working capital and equipment or ten percent if the loan is for the acquisition of property. Declares emergency, effective on passage.

ISSUES DISCUSSED:
- History of Entrepreneurial Development Loan Fund program
- Current elements of program
- Need for changes to program

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Business Oregon is Oregon's economic development agency and administers a variety of programs aimed at helping Oregon businesses grow. Many of these programs are designed to help small businesses, businesses investing resources in economically distressed areas, or businesses in sectors with the potential for growth. One of these programs is the Entrepreneurial Development Loan Fund program which provides loans to small business start-ups and those with difficulty accessing capital through traditional sources.

House Bill 4015 makes modifications to the Entrepreneurial Development Loan Fund program administered by Business Oregon, including by increasing the maximum loan amount that can be provided to recipients to $1 million.