

House Bill 2419

Sponsored by Representative BYNUM (at the request of Oregon Bankers Association) (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Directs State Treasurer to establish linked deposit program under which State Treasurer purchases investment instruments from qualified depository at below-market rates and qualified depository issues below-market rate loans to minority-owned businesses, woman-owned businesses or businesses that service-disabled veterans own.

A BILL FOR AN ACT

1
2 Relating to linked deposit program.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1)(a) The State Treasurer may make moneys available for a linked deposit**
5 **program under this section in the amount described in paragraph (b) of this subsection.**

6 **(b) The maximum amount available for the linked deposit program for each biennium is**
7 **five percent of the average revenues received by the General Fund, as determined under**
8 **Article IX, section 14, of the Oregon Constitution, for the previous three biennia.**

9 **(2) The State Treasurer shall establish a linked deposit program as described in this**
10 **section. Under the program, if a qualified depository makes one or more qualifying loans as**
11 **described in subsection (3) of this section, the State Treasurer may purchase one or more**
12 **investment instruments, at the reduced interest rate described in subsection (5) of this sec-**
13 **tion, from the qualified depository in a total amount equal to the total amount of qualifying**
14 **loans made by the qualified depository. Purchases of investment instruments under this**
15 **section may be made only from moneys made available for the linked deposit program under**
16 **subsection (1) of this section.**

17 **(3) A qualifying loan under this section is a loan:**

18 **(a) Made to a person that is certified under ORS 200.055 as a minority-owned business,**
19 **woman-owned business or business that a service-disabled veteran owns;**

20 **(b) Made to a person with an average annual gross revenue of less than \$5 million over**
21 **the three calendar years prior to the calendar year in which the loan is made;**

22 **(c) That carries a fixed interest rate that is 200 basis points below the rate the qualified**
23 **depository would charge for a loan for a similar purpose and similar term, except as provided**
24 **in subsection (5) of this section;**

25 **(d) That has a term of no longer than 25 years; and**

26 **(e) Where fees and other charges assessed at closing do not exceed one percent of the**
27 **loan amount.**

28 **(4) A person may receive more than one qualifying loan under this section. A person may**
29 **not receive more than \$5 million in qualifying loans under this section.**

30 **(5)(a) Investment instruments that the State Treasurer purchases under this section**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **must carry an interest rate that is 200 basis points below the rate the investment instrument**
2 **would otherwise carry, except that such reduction may be modified to ensure that the re-**
3 **sulting interest rate is not less than zero.**

4 **(b) If the reduction under paragraph (a) of this subsection is modified to be less than 200**
5 **basis points, then a qualified depository may decrease the interest reduction on new qualified**
6 **loans specified in subsection (3)(c) of this section by the same amount as the modification**
7 **below 200 basis points under paragraph (a) of this subsection.**

8 **(6) The State of Oregon and its agents are not liable for payment of the principal or in-**
9 **terest on qualifying loans. Delinquencies or defaults on qualifying loans do not affect the**
10 **deposit agreement between the qualified depository and the State Treasurer.**

11 **(7) Participation by a qualified depository in the linked deposit program under this sec-**
12 **tion is voluntary.**

13 **(8) The State Treasurer shall adopt rules to carry out the provisions of this section.**

14 **(9) As used in this section, "qualified depository" has the meaning given that term in**
15 **ORS 295.001.**

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