

HB 2350 STAFF MEASURE SUMMARY

House Committee On Economic Development, Small Business, and Trade

Action Date: 02/17/25

Action: Do pass and be referred to Ways and Means by prior reference

Vote: 9-0-0-0

Yeas: 9 - Diehl, Dobson, Isadore, Lively, Nguyen D, Osborne, Skarlatos, Watanabe, Yunker

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 1/29, 2/17

WHAT THE MEASURE DOES:

The measure directs the Oregon Business Development Department (OBDD) to develop a program to award financial assistance to support the retention or expansion of small businesses in the state. Takes effect on the 91st day following adjournment sine die.

Detailed Summary:

Directs OBDD to develop and administer a program to award financial assistance to eligible small businesses to promote the completion of business development projects. Defines business development projects as strategic investments that support the retention or expansion of an eligible small business in the state. Establishes the Small Business Sustainability Fund (SBSF) and appropriates money from the fund to OBDD to carry out the program. Defines eligible small businesses as those that are either traded sector businesses, make most of their sales outside the state, or demonstrate their regional economic importance. Directs OBDD to prioritize certain business development projects. Directs OBDD to establish an application process. States that the maximum amount of financial assistance to any business may not exceed 70 percent of the businesses total eligible project costs. Defines terms.

Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Eligible project costs
- Target communities and applicants
- Program marketing efforts
- Project evaluation
- Eligibility for multiple awards to the same applicant
- Fund and grant amounts
- Combining funding with additional funding sources
- Application process

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

House Bill 2350 directs Oregon Business Development Department (OBDD) to develop a program to award financial assistance to support the retention or expansion of small businesses in the state. Currently, OBDD administers a program that awards financial assistance to support the retention or expansion of traded sector small businesses in the state. The program has been in existence since 2019 and is funded through resources transferred from the Strategic Reserve Fund (SRF). Since 2020, the program has made awards totaling about \$2.9

This summary has not been adopted or officially endorsed by action of the committee.

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million to 45 businesses. The measure codifies the current small business financial assistance program in statute. It creates a dedicated Small Business Sustainability Fund (SBSF) to serve as the funding source for the program. To participate, businesses must have 100 or fewer employees and must demonstrate a record of sales for at least a year. Eligible project costs include capital improvements, equipment and machinery, inventory, and employee training. The measure makes minor adjustments to the current program.