

House Bill 2714

Sponsored by Representative EVANS (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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Tells the State Treasurer to create a program to offer loans to small businesses that cannot operate at their usual levels during an emergency. Sets out how a business will qualify for a loan. Allows bonds to fund the program. (Flesch Readability Score: 62.1).

Directs the State Treasurer to develop and implement a small business support loan program that aids in supporting the economic activities of small businesses during times in which small businesses cannot conduct business activities at an ordinary or customary level because of a state-wide or regional emergency or other significant disruption of business activity. Specifies the structure and funding for the program and describes features that the program must include.

Specifies eligibility for small business support loans. Authorizes the State Treasurer to issue bonds to fund the program. Establishes the Small Business Support Loan Fund.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to support loans for small business activity in this state; and declaring an emergency.

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

4 **SECTION 1. As used in sections 1 to 21 of this 2025 Act:**

5 (1) **"Bonds"** means serial bonds, term bonds, notes, obligations, lines of credit, revolving
6 credit agreements, loans, financing agreements or other evidence of indebtedness that the
7 State Treasurer determines is necessary to provide funds for the purposes expressed in
8 sections 1 to 21 of this 2025 Act.

9 (2) **"Financial institution"** has the meaning given that term in ORS 706.008.

10 (3) **"Small business"** means a corporation, limited liability company, partnership, sole
11 proprietorship or other legal entity with 50 or fewer employees that was incorporated, or-
12 ganized or formed under the laws of this state and transacts business in this state for the
13 purpose of making a profit.

14 (4) **"Small business support loan"** means a loan that the State Treasurer makes or par-
15 ticipates in making to a small business in accordance with sections 1 to 21 of this 2025 Act.

16 (5) **"Statewide or regional emergency or disruption"** means an event or condition, such
17 as a natural or human-caused disaster, an epidemic or pandemic, a severe economic re-
18 cession or depression or a similar occurrence, that:

19 (a) **Affects all or a substantial region of this state; and**

20 (b) **Causes a temporary but significant reduction in or cessation of the ordinary oper-**
21 **ations of small businesses located within an area directly affected by the event or condition.**

22 **SECTION 2. (1) The State Treasurer shall develop and implement a small business sup-**
23 **port loan program that aids in supporting the economic activities of small businesses in this**
24 **state under circumstances in which the small businesses:**

25 (a) **Cannot conduct business operations at an ordinary or customary level as the direct**

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 result of a statewide or regional emergency or disruption that occurs in or directly affects
 2 the location in which the small businesses operate;

3 (b) Cannot receive loan forgiveness, forbearances or other mitigation from financial in-
 4 stitutions to which the businesses owe payments on loans or other financing;

5 (c) Cannot receive deferrals, forbearances, reductions or other compromises or miti-
 6 gation of the terms of a lease or rental agreement that the small businesses have with an-
 7 other person or cannot receive other assistance in meeting rent or lease payments;

8 (d) Have exhausted all other available opportunities for receiving new or restructured
 9 financing necessary to transact business during the statewide or regional emergency or dis-
 10 ruption;

11 (e) Continue to employ within each small business at least 10 and not more than 50
 12 workers that depend on the small business for all or a significant portion of the worker's
 13 income; and

14 (f) But for the emergency or disruption are otherwise sound, well-managed, economically
 15 viable and capable of recovery with adequate short-term support during the pendency of the
 16 statewide or regional emergency or disruption.

17 (2) The State Treasurer by rule shall develop and implement eligibility and underwriting
 18 criteria for applicants for small business support loans under sections 1 to 21 of this 2025
 19 Act that take account of the circumstances described in subsection (1) of this section and:

20 (a) Direct resources to small businesses that have a good chance of recovery and an
 21 ability to repay small business support loans the State Treasurer makes under sections 1 to
 22 21 of this 2025 Act;

23 (b) Ensure the continued solvency and vitality of the small business support loan pro-
 24 gram and protect the funds on which the program depends;

25 (c) Focus on supporting small businesses that pledge to continue business activity that
 26 generates income for both small business owners and the workers the small business em-
 27 ploys;

28 (d) Protect the vitality of communities within which a small business operates by focus-
 29 ing attention on businesses that provide needed services to the community and, in particular,
 30 to underserved members of the community;

31 (e) Prevent fraud or misuse of state resources;

32 (f) Ensure that businesses owned by members of economically or socially disadvantaged
 33 communities within the state have equal access to loan moneys and other support resources,
 34 consistent with other applicable underwriting criteria; and

35 (g) Otherwise protect the interests of the state and taxpayers in the economic viability
 36 and recovery of small businesses in this state.

37 **SECTION 3.** (1) The State Treasurer shall make every reasonable attempt not to fore-
 38 close on any property or interest that secures a small business support loan that the State
 39 Treasurer makes under sections 1 to 21 of this 2025 Act if the borrower cannot make re-
 40 quired loan payments because of illness, injury, death, involuntary job loss or economic
 41 stress due to factors beyond individual control related to a statewide or regional emergency
 42 or disruption. The State Treasurer by rule shall implement the policy set forth in this sub-
 43 section. Rules the State Treasurer adopts under this section:

44 (a) May provide for a temporary reduction of loan payments due.

45 (b) May provide for any other solution that the State Treasurer agrees to jointly with the

1 borrower.

2 (c) Shall provide for repayment of the amount of any loan payments reduced under the
3 rules in accordance with terms and conditions upon which the State Treasurer and the bor-
4 rower agree.

5 (2) In reducing loan payments under this section, the State Treasurer shall consider the
6 effect of any reduction in the solvency of the small business support loan program as a
7 whole, on estimates of the most probable financial position of the program for one or more
8 future periods, the condition of the tax exempt bond market and the effect on other bor-
9 rowers in the program.

10 SECTION 4. The State Treasurer by rule may discount a portion of the principal payable
11 to the State Treasury in connection with a small business support loan if the discount results
12 in economic benefit to the small business support loan program after considering the time
13 value of money.

14 SECTION 5. (1) The State Treasurer, in the name and on behalf of the state, shall:

15 (a) Implement and operate the small business support loan program described in section
16 2 of this 2025 Act, under which the State Treasurer makes or participates in making loans
17 to support the economic activity of small businesses during statewide or regional emergen-
18 cies or disruptions;

19 (b) Undertake commitments to make or participate in making small business support
20 loans under the terms of the small business support loan program;

21 (c) Purchase and sell small business support loans;

22 (d) Commence and prosecute to judgment all suits, actions and proceedings necessary to
23 protect the interest of the state in connection with small business support loans;

24 (e) Bid on property offered for sale under foreclosure proceedings related to small busi-
25 ness support loans and acquire title to property for and on behalf of the state as a result of
26 the foreclosure proceedings;

27 (f) Accept deeds from borrowers in lieu of foreclosing property that secures a small
28 business support loan;

29 (g) Sell, transfer, convey, lease or assign any property the State Treasurer acquires for
30 and on behalf of the state in connection with the small business support loan program;

31 (h) Make repairs and improvements or alterations to any property that the state acquires
32 as the result of a foreclosure proceeding related to a small business support loan;

33 (i) Pay taxes, liens and charges of every kind superior to the lien of the state for any
34 property that secures a small business support loan;

35 (j) Pay the principal and interest on any obligations incurred in connection with property
36 that secures a small business support loan;

37 (k) Dispose of property the state acquires as the result of a foreclosure proceeding re-
38 lated to a small business support loan; and

39 (L) Administer property the state acquires as a result of a foreclosure related to a small
40 business support loan as the State Treasurer deems is in the best interest of the state.

41 (2) The State Treasurer shall deposit into the Small Business Support Loan Fund estab-
42 lished under section 21 of this 2025 Act all moneys the State Treasurer receives from selling,
43 leasing or otherwise disposing of any property the state receives from foreclosing any small
44 business support loan the State Treasurer makes or participates in making under sections
45 1 to 21 of this 2025 Act.

1 **SECTION 6.** (1) The State Treasurer may acquire property by purchase if acquiring the
 2 property is necessary to protect the interest of the state because of defaults in repaying
 3 small business support loans the State Treasurer makes or participates in making under
 4 sections 1 to 21 of this 2025 Act. The State Treasurer shall control the property while the
 5 title remains vested in the state.

6 (2) The State Treasurer may take any action and make disbursements as are necessary
 7 to protect security for small business support loans the State Treasurer makes or partic-
 8 ipates in making under sections 1 to 21 of this 2025 Act. The State Treasurer shall add any
 9 disbursement the State Treasurer makes under this section to the amount due from the
 10 borrower and the disbursement must bear interest at the rate that applies to the existing
 11 small business support loan.

12 (3) The State Treasurer may disburse funds for the purposes set forth in this section
 13 from the Small Business Support Loan Fund established under section 21 of this 2025 Act.

14 **SECTION 7.** The State Treasurer on behalf of the state shall execute and retain custody
 15 of all deeds, leases, contracts, releases of mortgages and other instruments that are neces-
 16 sary or proper to administer sections 1 to 21 of this 2025 Act.

17 **SECTION 8.** The State Treasurer may receive conditional payments from borrowers that
 18 have executed small business support loan documents, indemnities for fire losses on secured
 19 property, and such other amounts that the State Treasurer must hold pending further or
 20 final disposition. The State Treasurer shall deposit all moneys received under this section
 21 into the Small Business Support Loan Fund established under section 21 of this 2025 Act, to
 22 an account designated for holding moneys pending appropriate disposition, and shall retain
 23 the amounts until the State Treasurer can properly dispose of the moneys.

24 **SECTION 9.** (1) The State Treasurer may enter into a contract with a financial institu-
 25 tion under which the financial institution:

26 (a) Receives applications for and processes new small business support loans;

27 (b) Investigates, underwrites and evaluates an application for a small business support
 28 loan as provided by law; or

29 (c) Manages and services small business support loans for the period of time the State
 30 Treasurer specifies.

31 (2)(a) A financial institution that is a party to a contract under this section shall notify
 32 the State Treasurer of all loan applications the financial institution considers eligible for a
 33 small business support loan in accordance with sections 1 to 21 of this 2025 Act, and state
 34 why the financial institution believes the applicant is eligible for approval under the eligibility
 35 and underwriting criteria the State Treasurer adopts under the authority set forth in section
 36 2 of this 2025 Act. The State Treasurer retains final authority to approve or disapprove the
 37 small business support loan.

38 (b) If the State Treasurer disapproves the small business support loan, the State Treas-
 39 urer shall notify the financial institution and the applicant of the disapproval and state the
 40 reasons for the disapproval.

41 (c) If the State Treasurer is satisfied that an applicant has met all requirements for ap-
 42 proval of a small business support loan and that any property offered as security for the
 43 small business support loan protects the interests of the state, the State Treasurer shall
 44 transfer to the financial institution an amount from the Small Business Support Loan Fund
 45 established under section 21 of this 2025 Act equal to the loan amount the State Treasurer

1 approved. The financial institution shall disburse the amount in the manner the State
2 Treasurer specifies. The financial institution shall record any security interest in any prop-
3 erty that secures the small business support loan in the manner that is appropriate for the
4 type of security and shall forward all the original loan documents to the State Treasurer.

5 (3) A financial institution shall pay to the State Treasurer all moneys the financial in-
6 stitution receives as payments on principal and interest for small business support loans
7 made under sections 1 to 21 of this 2025 Act in accordance with the terms of the contract
8 between the State Treasurer and the financial institution.

9 (4) The State Treasurer and financial institution shall mutually agree upon the compen-
10 sation the State Treasurer pays to the financial institution for services the financial insti-
11 tution performs under a contract under this section. The compensation may be a fixed
12 annual payment or a percentage of the amount of each small business support loan the fi-
13 nancial institution processes or services under the contract.

14 (5) With respect to the small business support loan program, a financial institution that
15 executes a contract with the State Treasurer under this section shall perform only the ser-
16 vices that the State Treasurer delegates to the financial institution under the contract and
17 shall comply strictly with the terms of the contract and all applicable laws.

18 (6) A contract the State Treasurer executes with a financial institution under this sec-
19 tion is exempt from ORS 279.835 to 279.855 and ORS chapters 279A, 279B and 279C.

20 **SECTION 10.** In addition to the authority described in section 9 of this 2025 Act, the State
21 Treasurer may delegate by contract to a financial institution any of the authority granted
22 to the State Treasurer in section 8 or 15 of this 2025 Act. The State Treasurer retains final
23 authority to approve or disapprove loans, to deposit into the Small Business Support Loan
24 Fund established under section 21 of this 2025 Act funds a financial institution receives from
25 borrowers under section 8 of this 2025 Act and to interpret the duties and responsibilities
26 of borrowers under sections 1 to 21 of this 2025 Act.

27 **SECTION 11.** In addition to, and not in lieu of, the audit required under ORS 297.210, the
28 State Treasurer may contract with an independent public accountancy organization to review
29 the cash flow projection for the small business support loan program and of the assumptions
30 used in developing the cash flow projection. The organization shall conduct the review in
31 accordance with review guidelines the American Institute of Certified Public Accountants
32 (AICPA) develops. A contract with an independent public accountancy organization must
33 require a written report, copies of which the State Treasurer shall provide to the Governor,
34 the Secretary of State, the President of the Senate and the Speaker of the House of Repre-
35 sentatives not later than December 31 of each year. The State Treasurer shall pay for the
36 organization's services from funds appropriated for administering the office of the State
37 Treasurer.

38 **SECTION 12.** (1) The State Treasurer shall identify small business support loans made
39 under sections 1 to 21 of this 2025 Act with moneys from the Small Business Support Loan
40 Fund established under section 21 of this 2025 Act that, at the current rate at which the
41 borrower is making payments, are not or will not be fully amortized by the date specified for
42 full amortization.

43 (2) The State Treasurer shall notify each borrower that is making payments on a small
44 business support loan identified under subsection (1) of this section that, at the current rate
45 of payment, the borrower will not fully repay the small business support loan principal by

1 the final payment date. The notice must also include:

2 (a) The current principal balance.

3 (b) The current monthly principal and interest payment.

4 (c) The estimated monthly principal and interest payment necessary to reduce the prin-
5 cipal balance to zero by the date specified for full amortization.

6 (d) The estimated time remaining until the obligation is fully paid at the current payment
7 level and the difference between the estimated time and the date specified for full amorti-
8 zation.

9 (3) The State Treasurer shall include the notice required under this section in an annual
10 statement to borrowers during each year in which the rate at which the borrower is repaying
11 the small business support loan will not fully amortize the loan by the date specified for full
12 amortization.

13 **SECTION 13.** If the State Treasurer makes a small business support loan under sections
14 1 to 21 of this 2025 Act with moneys from the Small Business Support Loan Fund established
15 under section 21 of this 2025 Act, and the State Treasurer acquires an interest in real prop-
16 erty as security for the loan, the State Treasurer shall comply with the Truth in Lending
17 Act, 15 U.S.C. 1601 et seq., and all state and federal laws that apply to business loan trans-
18 actions involving a security interest in real property to the same extent required for a bank
19 or national bank, as defined in ORS 706.008, that extends credit in a transaction in which the
20 bank or national bank acquires a security interest in real property.

21 **SECTION 14.** (1) A small business that meets the eligibility criteria set forth in section
22 2 of this 2025 Act, and in rules the State Treasurer adopts under section 2 of this 2025 Act,
23 may apply for a small business support loan to continue business operations under the cir-
24 cumstances identified in section 2 of this 2025 Act. The applicant must submit an application
25 in the form and format and with the contents the State Treasurer specifies by rule. The
26 State Treasurer shall immediately process an application the State Treasurer receives under
27 this section.

28 (2) An applicant may not borrow more than the maximum amount allowed for a small
29 business support loan under this section.

30 (3) The maximum amount that an applicant may borrow under this section is the lesser
31 of:

32 (a) The operational expenses of the small business during a period of not more than 180
33 days, at a rate of interest specified in section 17 of this 2025 Act. The applicant must docu-
34 ment the applicant's monthly operational expenses during at least the three-month period
35 before the occurrence of the statewide or regional emergency or disruption that is a basis
36 for the applicant's eligibility and the State Treasurer shall calculate the loan amount based
37 on the applicant's documented expenses. Operational expenses may include, but are not
38 limited to:

39 (A) Payroll and other labor costs;

40 (B) Costs of goods, supplies and other stock in trade;

41 (C) Utilities, equipment and plant maintenance;

42 (D) Marketing and advertising expenses;

43 (E) Legal fees and fees for other professional services;

44 (F) Shipping and delivery expenses;

45 (G) Costs related to motor vehicles used exclusively for business operations; and

1 (H) Miscellaneous operating expenses; or

2 (b) The expenses of rent, a lease or a mortgage loan for real property on or in which the
3 small business conducts operations, plus the debt service for any outstanding business loans
4 that are or may become due during the period in which the statewide or regional emergency
5 or disruption is in effect.

6 (4) In calculating the maximum amount allowed for a small business support loan under
7 this section, the State Treasurer shall exclude:

8 (a) Funds disbursed under sections 6 (2) and 16 (3) of this 2025 Act; and

9 (b) The amount of a loan that a borrower has repaid, or for which the property securing
10 the loan has been transferred by deed or otherwise, if the property:

11 (A) Is destroyed by fire or other natural hazard; or

12 (B) Is taken through condemnation or lost or disposed of for a compelling reason that is
13 not the fault of the applicant.

14 (5)(a) For the purposes of this section, an applicant owns property that secures a small
15 business support loan if the applicant:

16 (A) Has fee simple title to the property, if the property is real property; or

17 (B) Is the purchaser of the property under a contract of sale or other instrument of sale.

18 (b) Earnest money or preliminary sales agreements, options or rights of first refusal are
19 not contracts or instruments of sale under this subsection.

20 **SECTION 15.** (1) The State Treasurer may condition a small business support loan on an
21 agreement from the borrower to resume or continue ordinary business operations within a
22 specified period of time and to the extent possible under the circumstances of the statewide
23 or regional emergency or disruption if the State Treasurer determines that resuming or
24 continuing business operations is feasible and would best serve the needs and interests of the
25 small business, of the employees of the small business, of the community within which the
26 small business operates and of the state. The State Treasurer shall specify any conditions
27 the State Treasurer imposes in connection with the small business support loan in the loan
28 agreement and shall ensure that the borrower receives and understands a notice that out-
29 lines the conditions and the consequences set forth in section 19 of this 2025 Act for failing
30 to comply with the conditions.

31 (2)(a) Security for a small business support loan must consist of any real property the
32 small business owns or of a combination of any goods, merchandise, stock, personal or in-
33 tangible property that the small business owns without other encumbrances and with a
34 market value that the State Treasurer determines will adequately secure the small business
35 support loan.

36 (b) If the security for the small business support loan is property other than real prop-
37 erty, the State Treasurer shall require the borrower to periodically execute any instruments
38 that are necessary to record a security interest in any property to which the borrower takes
39 title as a replacement for property the borrower sells or transfers in the course of business
40 operations. The State Treasurer by rule and by contract may specify other conditions for
41 taking an interest in property of the borrower to secure repayment of the small business
42 support loan.

43 (3) A mortgage, trust deed or other lien on real property must:

44 (a) Be either a first lien on the property or a lien insured by mortgagee's title insurance
45 against loss from any prior encumbrance; and

1 (b) Provide that the borrower, or any subsequent owner of the secured property, may pay
 2 all or any part of the loan at any time without penalty.

3 (4) Property, other than real property, that secures a small business support loan must
 4 be entirely free of other encumbrances, be stored or located on premises that the small
 5 business owns or controls, be of an ascertainable market value and be readily marketable.
 6 The property must meet any other specifications or qualifications the State Treasurer re-
 7 quires by rule.

8 **SECTION 16.** (1) The State Treasurer may make a small business support loan at the rate
 9 of interest specified in section 17 of this 2025 Act. The State Treasurer may determine an
 10 appropriate amortization period for the small business support loan based on the State
 11 Treasurer’s evaluation of the viability of the small business and other appropriate under-
 12 writing criteria, but the amortization period may not exceed 10 years. The limitations set
 13 forth in this subsection do not preclude the State Treasurer from later extending the
 14 amortization period where necessary or otherwise warranted.

15 (2) The State Treasurer may adjust the terms and conditions of a small business support
 16 loan, including the amortization period and interest rate for the small business support loan,
 17 if the borrower transfers ownership of the property that secures the small business support
 18 loan other than by sale in the ordinary course of business.

19 (3) A mortgage or trust deed or other lien for property that secures a small business
 20 support loan may provide that the State Treasurer may pay the taxes and insurance premi-
 21 ums from the Small Business Support Loan Fund established under section 21 of this 2025
 22 Act. The State Treasurer may add any amounts paid as taxes or insurance premiums to the
 23 principal of the small business support loan and may require repayment under terms the
 24 State Treasurer specifies by rule. The State Treasurer may prescribe any method or period
 25 for repayment of an amount paid under this section that does not conflict with the terms
 26 of the mortgage, trust deed or lien that secures the small business support loan.

27 **SECTION 17.** (1) The State Treasurer shall periodically prescribe the interest rate that
 28 applies to a small business support loan the State Treasurer makes under sections 1 to 21
 29 of this 2025 Act, taking into consideration the current value of the money, the solvency of
 30 the small business support loan program and the effect of the rate on applicants.

31 (2) If during two consecutive fiscal years the cash flow projection and the review of the
 32 projection performed under section 11 of this 2025 Act indicate that the Small Business
 33 Support Loan Fund as established under section 21 of this 2025 Act will maintain a balance
 34 throughout the term of the projections that exceeds the succeeding years’ debt service and
 35 operating expenses for the small business support loan program, the State Treasurer may
 36 consider reducing the interest rates the State Treasurer charges for small business support
 37 loans under this section in such a manner that ensures the future solvency and self-
 38 supporting nature of the small business support loan program.

39 **SECTION 18.** (1) If the State Treasurer does not receive a periodic installment payment
 40 due under a small business support loan agreement, the State Treasurer may impose a late
 41 charge with respect to the payment, subject to the limitations set forth in subsection (2) of
 42 this section.

43 (2) The State Treasurer may not impose a late charge:

44 (a) With respect to any periodic installment payment that the State Treasurer receives
 45 within 15 days after the due date. If the 15-day period ends on a Saturday, Sunday or legal

1 holiday, the State Treasurer shall extend the 15-day period to the next business day.

2 (b) In a dollar amount that exceeds five percent of the sum of principal and interest of
 3 the delinquent periodic installment payment or the amount provided in the loan agreement
 4 for the small business support loan, whichever is the lesser.

5 (c) Unless the loan agreement for the small business support loan provides for a late
 6 charge on delinquent periodic installments and the State Treasurer provides to the borrower
 7 a monthly billing, coupon or notice that discloses the date on which periodic installments are
 8 due and states that the State Treasurer may impose a late charge for payments the State
 9 Treasurer receives more than 15 days after the due date. If the loan agreement provides for
 10 automatic deductions from a deposit account the borrower maintains, the State Treasurer
 11 need not provide the borrower with a monthly billing, coupon or notice under this subsection
 12 if the funds in the borrower's account are not sufficient to cover the amount of a loan pay-
 13 ment on the date the loan payment becomes due or within the period described in paragraph
 14 (a) of this subsection.

15 (d) More than once on any single installment.

16 **SECTION 19.** (1) A borrower may use moneys that the borrower receives as a small
 17 business support loan under sections 1 to 21 of this 2025 Act only for the purpose of contin-
 18 uing business operations during a period of statewide or regional emergency or disruption
 19 and otherwise in accordance with provisions the State Treasurer specifies by rule.

20 (2) Except as provided in this section, a borrower's use of all or any part of a small
 21 business support loan the borrower receives under sections 1 to 21 of this 2025 Act for in-
 22 vestment or any purpose other than the purpose described in subsection (1) of this section
 23 constitutes an act of default and the State Treasurer may immediately accelerate the unpaid
 24 balance of the small business support loan.

25 (3) If the State Treasurer determines that a borrower is using loan moneys in violation
 26 of this section, the State Treasurer shall immediately commence any action or proceeding
 27 necessary to recover for the state the loan moneys or any property the borrower obtained
 28 with the proceeds of the small business support loan.

29 (4) If a condition of a borrower's small business support loan requires the borrower to
 30 resume or continue business operations within a certain period of time, to the extent possi-
 31 ble under the circumstances of the statewide or regional emergency or disruption, the bor-
 32 rower violates this section if the borrower fails to resume or continue business operations
 33 within the allotted time and otherwise in accordance with the terms of the loan agreement
 34 for the small business support loan. A violation of this subsection constitutes an act of de-
 35 fault and the State Treasurer may immediately accelerate the unpaid balance of the small
 36 business support loan. The borrower for good cause may request in writing an extension to
 37 the period of time within which the borrower must resume or continue business operations.
 38 If the State Treasurer denies the borrower's request for an extension, the borrower may file
 39 a written request for a hearing within 30 days after the denial.

40 **SECTION 20.** The State Treasurer may issue bonds as provided in ORS chapter 286A if
 41 the State Treasurer determines that the bonds are necessary to meet the demand for small
 42 business support loans under sections 1 to 21 of this 2025 Act and after considering the
 43 number of applications, the number of outstanding loans in repayment, the amount of debt
 44 that the issue will finance or refinance, directly or indirectly, the solvency of the small
 45 business support loan program as a whole, the current value of money, the condition of the

1 tax exempt and taxable bond markets, the effect of the issue on all applicants and current
2 small business support loan program borrowers and such other issues as the State Treasurer
3 determines are relevant.

4 **SECTION 21.** (1) The Small Business Support Loan Fund is established as a special fund
5 separate and distinct from the General Fund. The State Treasurer shall deposit the proceeds
6 from the sale of each issue of bonds authorized under section 20 of this 2025 Act into the
7 State Treasury and credit the moneys to the Small Business Support Loan Fund.

8 (2) In addition to the proceeds from the sale of bonds, the Small Business Support Loan
9 Fund shall also consist of:

10 (a) All moneys received as payments on principal and interest of small business support
11 loans the State Treasurer makes under sections 1 to 21 of this 2025 Act;

12 (b) All moneys the State Treasurer receives as accrued interest upon bonds sold;

13 (c) All moneys derived from tax levies provided for in ORS 291.445;

14 (d) All moneys derived from the selling, renting or administering of property acquired
15 by foreclosure or other proceeding, or deed;

16 (e) All moneys received as interest earned from investing moneys in the Small Business
17 Support Loan Fund;

18 (f) All moneys received as proceeds from the sale of refunding bonds; and

19 (g) All other moneys accruing under sections 1 to 21 of this 2025 Act.

20 (3) All moneys in the Small Business Support Loan Fund are continuously appropriated
21 to the State Treasurer for the following purposes:

22 (a) To carry out the provisions of sections 1 to 21 of this 2025 Act;

23 (b) To purchase bonds issued for the purposes of sections 1 to 21 of this 2025 Act; and

24 (c) Except for moneys derived from the sale of bonds or from tax levies, for paying the
25 expenses of administering the small business support loan program.

26 (4) The State Treasurer may invest the moneys in the Small Business Support Loan Fund
27 that are not immediately required to provide loans under sections 1 to 21 of this 2025 Act
28 as provided in ORS 293.701 to 293.857. The earnings from the investments must be credited
29 to the Small Business Support Loan Fund.

30 **SECTION 22.** (1) Sections 1 to 21 of this 2025 Act become operative on January 1, 2026.

31 (2) The State Treasurer may adopt rules and take any other action before the operative
32 date specified in subsection (1) of this section that is necessary to enable the State Treas-
33 urer, on and after the operative date specified in subsection (1) of this section, to undertake
34 or exercise all of the duties, functions and powers conferred on the State Treasurer by
35 sections 1 to 21 of this 2025 Act.

36 **SECTION 23.** This 2025 Act being necessary for the immediate preservation of the public
37 peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect
38 on its passage.