

REVENUE: No revenue impact

FISCAL: May have fiscal impact, statement not yet issued

Action: Do Pass and Be Referred to the Committee on Ways and Means by prior reference

Vote: 6 - 0 - 1

Yeas: Barnhart, Dallum, Girod, Holvey, Lim, Riley

Nays: 0

Exc.: Witt

Prepared By: Ellen Osoinach, Committee Administrator

Meeting Dates: 3/28, 4/2

WHAT THE MEASURE DOES: Appropriates \$1 million to the Oregon Economic and Community Development Department (OECDD) for the purpose of providing business assistance services to small businesses operating in rural or distressed communities and owned by low income individuals, women or minorities (targeted small businesses) and businesses with fewer than five employees (microenterprises). Expands definition of business assistance services. Requires OECDD to convene a task force that meets quarterly.

ISSUES DISCUSSED:

- Differences between Small Business Development Center and targeted service providers
- Typical default rate on loans made to targeted small businesses

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: OECDD grants funding through a competitive bid process to organizations that provide business assistance services to small businesses. Currently, the only authorized services are basic business training, counseling, assistance in securing state or federal procurement contracts, or assistance in securing Oregon suppliers for goods and services.

HB 3027 appropriates money to OECDD in addition to and not in lieu of any other appropriation, for the purpose of providing expanded business assistance services to targeted small businesses and microenterprises. OECDD is authorized to use the appropriation to provide credit, including direct loans and loan guarantees, to these businesses.