

House Bill 3027

Sponsored by Representative D EDWARDS, Senator WHITSETT; Representatives BARKER, BARNHART, BERGER, BONAMICI, BOONE, BRUUN, CAMERON, CANNON, CLEM, COWAN, DALLUM, C EDWARDS, ESQUIVEL, GALIZIO, GELSER, GILMAN, GIROD, HANNA, HUNT, KOMP, KOTEK, MERKLEY, NATHANSON, OLSON, READ, RILEY, ROSENBAUM, WHISNANT, WITT, Senators BROWN, MONNES ANDERSON, PROZANSKI, STARR, WALKER

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**.

Appropriates moneys from _____ to Economic and Community Development Department for purpose of assisting development of targeted small businesses and microenterprises. Creates task force to coordinate statewide framework for supporting targeted small businesses and microenterprises.

Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to support services for targeted small businesses; creating new provisions; amending ORS 285A.346; appropriating money; and declaring an emergency.

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

SECTION 1. Sections 2 to 4 of this 2007 Act may be cited as the Targeted Small Businesses Act of 2007.

SECTION 2. As used in sections 2 to 4 of this 2007 Act:

(1) "Low income" means income adjusted for family size that does not exceed 80 percent of the median income for the area where the targeted small business or microenterprise is located.

(2) "Microenterprise" means a business with fewer than five employees that generally lacks access to conventional loans, equity or other banking services.

(3) "Targeted small business" means a small business that is owned by low income individuals, women or minorities and that is operated in rural or distressed communities.

SECTION 3. (1) The Legislative Assembly finds that:

(a) Small businesses continue to be a major source of employment opportunities for Oregon and there is a need to develop and expand small businesses in economically distressed communities in both rural and urban areas.

(b) Targeted small businesses are a distinct subset of small businesses that includes businesses owned by low income individuals, women and minorities and operated in rural or distressed communities.

(c) Targeted small businesses and microenterprises create jobs, build the economies of communities and help individuals and families earn the income needed to be economically self-sufficient.

(d) Targeted small businesses that access training, technical assistance and microlending services increase business revenues by more than 50 percent, thereby providing increased tax revenues to the state.

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 (e) Local targeted small business development organizations have demonstrated cost-
2 effective delivery methods for providing training, technical assistance and microlending ser-
3 vices.

4 (f) Private sector support, charitable foundation support and federal program funding can
5 be leveraged by statewide support and infrastructure to maximize the development of tar-
6 geted small businesses.

7 (g) Coordination among state agencies, state-supported organizations and private sector
8 entities that provide services to targeted small businesses and microenterprises is essential
9 to promoting the development of these businesses in Oregon.

10 (2) The Legislative Assembly declares that the purposes of sections 2 to 4 of this 2007
11 Act are to:

12 (a) Ensure that targeted small businesses and microenterprises in Oregon are able to
13 realize their full potential to create jobs, enhance entrepreneurial skills, expand
14 entrepreneurial activity and increase the capacity of economically and geographically disad-
15 vantaged households to become self-sufficient; and

16 (b) Enhance the development of a statewide infrastructure for targeted small business
17 support and expand the capacity of microenterprise service providers through the statewide
18 microenterprise support organizations including, but not limited to, the Oregon Microenter-
19 prise Network.

20 **SECTION 4.** (1) The Economic and Community Development Department shall convene
21 a task force on development of targeted small businesses and microenterprises.

22 (2) The task force shall consist of representatives from:

23 (a) The division of the Department of Human Services addressing the needs of children,
24 adults and families;

25 (b) The Employment Department;

26 (c) The Economic and Community Development Department;

27 (d) The Housing and Community Services Department;

28 (e) The State Department of Agriculture;

29 (f) The Advocate for Minority, Women and Emerging Small Business in the Office of the
30 Governor;

31 (g) The Department of Community Colleges and Workforce Development;

32 (h) The Oregon State University Extension Service;

33 (i) The Department of Environmental Quality;

34 (j) The Department of Consumer and Business Services;

35 (k) Other entities the work of which relates to the activity of targeted small businesses
36 and microenterprises in Oregon;

37 (L) Statewide support organizations for targeted small businesses and microenterprises
38 including, but not limited to, the Oregon Microenterprise Network; and

39 (m) Representatives of interested municipal, county or regional governments.

40 (3) The task force shall meet quarterly to coordinate the work of state agencies and
41 other entities related to the activity of targeted small businesses and microenterprises and
42 to develop a coherent framework for state agency efforts related to these businesses.

43 **SECTION 5.** ORS 285A.346 is amended to read:

44 285A.346. (1)(a) The Economic and Community Development Department may purchase business
45 assistance services from public or private organizations for delivery to small businesses in this state

1 or may provide grants to public or private organizations to support, aid, stimulate or otherwise af-
2 fect the delivery of business assistance services to small businesses in this state.

3 (b) For the purposes of ORS 285A.340 to 285A.349, "business assistance services" includes:

4 (A) Basic business training, including elements of accounting, personnel management, marketing
5 and tax compliance.

6 (B) Counseling on business needs and problems.

7 (C) Assistance in securing state and federal procurement contracts.

8 (D) Assistance in securing Oregon suppliers for goods and services.

9 **(E) Assistance to targeted small businesses and microenterprises in reaching new mar-**
10 **kets for global competitiveness and increased sales.**

11 **(F) Assistance to establish, stabilize and expand targeted small businesses and microen-**
12 **terprises by developing business equity through asset development programs and services.**

13 **(G) Providing credit for the establishment, stabilization and expansion of targeted small**
14 **businesses and microenterprises. As used in this subparagraph, "providing credit" includes**
15 **providing direct loans and loan guarantees, establishing revolving loan funds and facilitating**
16 **peer lending programs.**

17 (2) An organization or association that receives state moneys for the purpose of providing
18 business assistance services to small businesses shall comply, to the greatest extent feasible, with
19 the state policies established under ORS 285A.340 to 285A.349.

20 (3) To the extent that federal laws or regulations impose requirements that limit the payment
21 of fees by recipients of business assistance services to small businesses, the Economic and Commu-
22 nity Development Department and the providers of those services shall apply for waivers of such
23 federal requirements.

24 **(4) As used in this section, "targeted small business" and "microenterprise" have the**
25 **meaning given those terms in section 2 of this 2007 Act.**

26 **SECTION 6. In addition to and not in lieu of any other appropriation, there is appropri-**
27 **ated to the Economic and Community Development Department, for the biennium beginning**
28 **July 1, 2007, out of the _____, the amount of \$1 million for the purpose of providing busi-**
29 **ness assistance services under ORS 285A.346 to targeted small businesses and microenter-**
30 **prises in rural or distressed communities.**

31 **SECTION 7. This 2007 Act being necessary for the immediate preservation of the public**
32 **peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect**
33 **on its passage.**

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