

SENATE AMENDMENTS TO SENATE BILL 150

By COMMITTEE ON BUSINESS, TRANSPORTATION AND WORKFORCE DEVELOPMENT

March 23

1 On page 1 of the printed bill, line 2, delete “and” and after “money” insert “; and declaring an
2 emergency”.

3 Delete lines 4 through 30 and delete pages 2 and 3 and insert:

4 **“SECTION 1. (1) There is created within the State Treasury the Mezzanine Financing**
5 **Fund, separate and distinct from the General Fund. Interest earned by the Mezzanine Fi-**
6 **nancing Fund shall be credited to the fund. Moneys in the fund are continuously appropriated**
7 **to the Economic and Community Development Department:**

8 **“(a) For the projects described in subsection (4) of this section; and**

9 **“(b) To pay administrative expenses of the department that are related to the fund.**

10 **“(2) The fund created by subsection (1) of this section shall consist of:**

11 **“(a) Moneys from the repayment of principal, interest payments and other income from**
12 **any credit enhancement or financing provided by the fund;**

13 **“(b) Revenues derived from fees imposed under subsection (5) of this section;**

14 **“(c) Interest earned on moneys in the fund;**

15 **“(d) Moneys from any grant received by the department for the fund from the federal**
16 **government;**

17 **“(e) Appropriations, allocations and transfers of moneys to the fund by the Legislative**
18 **Assembly; and**

19 **“(f) Revenues from any other funding sources that provide financing for Oregon busi-**
20 **nesses.**

21 **“(3) The fund may not be used to retire any debt. The fund may not be used to pay ad-**
22 **ministrative expenses of the department that are not related to the fund.**

23 **“(4) The department may provide credit enhancement to financial organizations for the**
24 **benefit of Oregon businesses and financing to Oregon businesses from the fund as part of a**
25 **broader public and private partnership. The department may provide credit enhancement to**
26 **financial organizations and financing to Oregon businesses under this section for the fol-**
27 **lowing projects:**

28 **“(a) To assist established businesses with the development and marketing of new pro-**
29 **ducts;**

30 **“(b) To assist businesses with acquisitions that are consistent with the policies and rules**
31 **governing the fund; and**

32 **“(c) To assist businesses with situations:**

33 **“(A) In which the level of risk to the lender or investor is greater than that of a loan**
34 **typically provided by a bank; and**

35 **“(B) That would not typically be financed by venture capital investors.**

1 “(5) When providing credit enhancement or financing under this section, the department
2 shall:

3 “(a) Establish eligibility requirements, fees and other terms for credit enhancement or
4 financing;

5 “(b) Establish additional fees and other terms to reasonably ensure that the program is
6 self-financing; and

7 “(c) Charge an application fee to any financial organization or business that applies for
8 credit enhancement or financing from the fund.

9 “(6) The Oregon Economic and Community Development Commission shall review and
10 approve policies governing the fund that are developed by the department. The Director of
11 the Economic and Community Development Department must first approve an award of
12 moneys from the fund before moneys may be disbursed for credit enhancement or financing
13 projects.

14 “(7) The department may establish boards or advisory councils and may consult with
15 other entities to evaluate requests for credit enhancement or financing from the fund.

16 “(8) The department shall adopt rules to govern the administration of this section.

17 “(9) The department shall establish performance measures that enable the department
18 to evaluate the projects financed with moneys from the fund. The performance measures
19 must be established by the department prior to the initial award of moneys from the fund.

20 “SECTION 2. (1) During the 2007-2009 biennium, the Oregon Economic and Community
21 Development Commission may transfer up to \$1 million from the Oregon Business Develop-
22 ment Fund to the Mezzanine Financing Fund.

23 “(2) Not later than January 2, 2010, the Economic and Community Development Depart-
24 ment shall transfer any moneys remaining in the Mezzanine Financing Fund that are not
25 otherwise committed to the Oregon Business Development Fund.

26 “SECTION 3. Section 1 of this 2007 Act is repealed on January 2, 2010.

27 “SECTION 4. This 2007 Act being necessary for the immediate preservation of the public
28 peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect
29 July 1, 2007.”.