

REVENUE: No revenue impact

FISCAL: May have fiscal impact, statement not yet issued

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

Vote: 5 - 0 - 0

Yeas: Boone, Boquist, Schaufler, Scott, Barker

Nays: 0

Exc.: 0

Prepared By: Bill Taylor, Counsel

Meeting Dates: 2/5

WHAT THE MEASURE DOES: Establishes in the Oregon Department of Veterans' Affairs the Veterans' Small Business Repair Loan Program for the purposes of assisting any veteran whose small business incurs a setback during the veteran's mobilization or deployment by providing an interest-free loan to the veteran upon his or her return. Allows a veteran to receive a maximum of two loans not to exceed \$20,000 per loan. Requires application for the loan to be made within 12 months after demobilization. Requires the business to be for profit, with fewer than 50 employees, and located in Oregon. Allows unremarried surviving spouse of a veteran killed on active duty to also apply for the loans. Specifies that members of the Oregon National Guard or members of the Army, Navy, Air Force, Marine Corps or Coast Guard who are residents of Oregon are eligible. Appropriates funds to the Department of Veterans' Affairs to carry out the program.

ISSUES DISCUSSED:

- Economic and Community Development Department will assist the Oregon Department of Veterans' Affairs
- Hardship returning veterans face in keeping their businesses going

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Mobilization and deployment for anyone in the National Guard or Reserves is disruptive of family life and work. It is particularly so for those operating small businesses. Bills of the business must be paid and with the loss of the business operator, income is often significantly reduced, if not eliminated. Often, the business must be put on hold pending the return of its owner from active military duty. Upon return, this person faces the daunting task for restarting the business. He or she may need additional capital to do so and probably will have to borrow money. Small businesses have difficulty borrowing money and if they can get a loan usually have to pay higher interest rates.