

**REVENUE:** No revenue impact

**FISCAL:** Fiscal statement issued

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means by prior reference
<b>Vote:</b>	10 - 0 - 0
<b>Yeas:</b>	Bailey, Bentz, Frederick, Garrett, Gilliam, Holvey, Richardson, Thatcher, Witt, Read
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Beth Herzog, Administrator
<b>Meeting Dates:</b>	2/2, 2/4

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**WHAT THE MEASURE DOES:** Allows total amount of money loaned from Oregon Business Development Fund (Fund) for business development project to exceed 50 percent of project cost if two or more lenders have denied financing for more than 50 percent of project and only other available financing totals less than 50 percent. Adds authorization to loan money from Fund without commitment from commercial or private lender, or local development group to participate in financing if two or more lenders have denied requests from applicant to commit to participate in financing projects and applicant has no other available financing. Increases authorization for Director of Oregon Business Development Department (Department) to loan up to \$250,000. Sunsets on July 1, 2011. Appropriates \$\_\_\_\_\_ to Department for biennium ending June 30, 2012. Declares an emergency; effective upon passage.

**ISSUES DISCUSSED:**

- Process for loaning money
- Examples of businesses who have utilized Fund
- Availability of money from Fund

**EFFECT OF COMMITTEE AMENDMENT:** Replaces majority of measure with exception of sunset date and emergency clause.

**BACKGROUND:** The Oregon Business Development Fund is a revolving loan fund that provides long-term fixed-rate financing for land, buildings, equipment, machinery and permanent working capital. The Fund emphasizes rural and distressed areas, and businesses with fewer than 50 employees. Participants must create or retain jobs and must be a traded-sector business in manufacturing, processing or a regionally-significant tourist facility. The Fund features a Targeted Development Account for distressed areas of Oregon.