

**75th OREGON LEGISLATIVE ASSEMBLY – 2010 Special Session
BUDGET REPORT AND MEASURE SUMMARY**

JOINT COMMITTEE ON WAYS AND MEANS

MEASURE: SB 1017-A

**Carrier – House: Rep. Doherty
Carrier – Senate: Sen. Bonamici**

Action: Do Pass as Amended and Be Printed A-Engrossed

Vote: 16 – 8 – 0

- House – Yeas: Barker, Buckley, Cowan, Edwards, Gilman, Komp, Kotek, Nathanson
- Nays: Garrard Jenson Richardson, G. Smith
- Exc:
- Senate – Yeas: Bates, Courtney, Edwards, Johnson, Monroe, Nelson, Shields, Winters
- Nays: Girod Kruse Verger, Whitsett
- Exc:

Prepared By: Laurie Byerly, Legislative Fiscal Office

Reviewed By: Steve Bender, Legislative Fiscal Office

Meeting Date: February 22, 2010

Agency

Oregon Business Development Department

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Biennium

2009-11

Budget Summary

	2009-11 Legislatively Adopted Level	2010 Committee Recommendation	Committee Change from 2009-11 Leg. Adopted	
			\$ Change	% Change
General Fund	\$ 4,665,252	\$ 9,665,252	\$ 5,000,000	107.18%
Other Funds	\$ 32,862,431	\$ 32,893,969	\$ 31,538	0.10%
Other Funds Nonlimited	\$ 233,515,791	\$ 238,515,791	\$ 5,000,000	2.14%

Position Summary

Authorized Positions	127	127	0	0.00%
Full-time Equivalent (FTE) positions	126.34	126.61	0.27	0.21%

Summary of Committee Action

SB 1017 provides that the Oregon Business Development Department (OBDD) may offer an Oregon Business Development Fund (OBDF) loan for more than 50 percent of the cost of a project if two or more lenders have denied financing requests and the applicant has no other available financing. The bill provides that OBDD may provide OBDF loans to nongovernmental units without a commitment from a commercial or private lender under certain specified conditions. The bill also replaces the requirement that entrepreneurial development loans can be fully secured with the less restrictive requirement that they be “secured by good and sufficient collateral,” and expands eligibility for entrepreneurial loans to larger and longer-established enterprises. Changes to both the OBDF and entrepreneurial loan programs sunset on June 30, 2011. After that date the current statutory language for both programs is restored.

The Committee amended the bill to include a \$5 million General Fund appropriation to support additional grants. OBDD will have some administrative costs that will be covered by Other Funds program income; the bill includes spending authority to pay for the additional work which will be supported by part of a Loan Specialist 1 position. The General Fund will be deposited into the OBDF. Loans made from the OBDF are included in Other Funds Nonlimited in the agency budget.

The full amount of General Fund in the bill is contingent on passage of HB 3698, which also provides assistance to employers. Without passage of HB 3698, the General Fund appropriation would be reduced to \$3 million.