

HOUSE AMENDMENTS TO HOUSE BILL 3605

By COMMITTEE ON SUSTAINABILITY AND ECONOMIC DEVELOPMENT

February 5

1 On page 1 of the printed updated sponsors bill, line 2, after “Fund” insert “; creating new pro-
2 visions” and delete “, 285B.065”.

3 Delete lines 5 through 27 and insert:

4 “**SECTION 1.** ORS 285B.059 is amended to read:

5 “285B.059. (1) The Oregon Business Development Commission may approve a business develop-
6 ment project proposed in an application filed under ORS 285B.050 to 285B.098 if, after investigation,
7 the commission finds that:

8 “(a) The proposed business development project is feasible and a reasonable risk from practical
9 and economic standpoints, and that the loan has reasonable prospect of repayment.

10 “(b) The applicant can provide good and sufficient collateral for the loan.

11 “(c) Moneys in the Oregon Business Development Fund are or will be available for the proposed
12 business development project.

13 “(d) There is a need for the proposed business development project.

14 “(e) The applicant has not received or entered into a contract or contracts exceeding \$1 million
15 with the commission, under authority of ORS 285B.050 to 285B.098, for the previous 365 days.

16 “(2)(a) **Except as provided in paragraph (b) of this subsection**, the total amount of moneys
17 loaned from the fund for [*any*] a business development project [*shall*] **may** not exceed 50 percent of
18 the cost of the project.

19 “(b) **The total amount of moneys loaned from the fund for a business development project**
20 **may exceed 50 percent of the cost of the project if two or more lenders have denied requests**
21 **from the applicant to commit to participate in the financing of more than 50 percent of the**
22 **cost of the project and the only other available financing totals less than 50 percent of the**
23 **cost of the project.**

24 “(3)(a) [*Except when the applicant is a county or municipality or when there are payments other*
25 *than the scheduled principal and interest payments, no money shall*] **Except as provided in para-**
26 **graph (b) of this subsection, moneys may not** be loaned from the fund for [*any*] a business de-
27 velopment project unless there exists a commitment from a commercial or private lender, or a local
28 development group, to participate in the financing of the project.

29 “(b) **Moneys may be loaned from the fund for a business development project without a**
30 **commitment from a commercial or private lender, or a local development group, to partic-**
31 **ipate in the financing of the project if:**

32 “(A) **The applicant is a county or municipality;**

33 “(B) **There are payments other than the scheduled principal and interest payments; or**

34 “(C) **Two or more lenders have denied requests from the applicant to commit to partic-**
35 **ipate in the financing of the project and the applicant has no other available financing.**

1 “(4) To encourage private sector and local development group participation in the financing of
2 business development projects, the commission may subordinate the security position of the fund to
3 that of other lenders.

4 “(5) In each fiscal year of a biennium, not less than 15 percent of all moneys available for
5 lending from the fund *[are]* **is** reserved for loans to certified emerging small business enterprises
6 which are located in or draw their workforces from within distressed areas as determined by the
7 Oregon Business Development Department in cooperation with the Employment Department of this
8 state. Any amounts reserved for loans to such businesses that are not loaned in one fiscal year shall
9 be added to the amount reserved for loans to such businesses in the subsequent fiscal year. If the
10 Oregon Business Development Department is unable to obtain a sufficient number of approvable
11 applications to meet the requirements of this subsection, it may, notwithstanding the limitations
12 imposed by ORS 285B.050 (2)(g)(B), make loans to service and retail businesses operated by emerging
13 small business enterprises.

14 “**SECTION 2.** ORS 285B.080 is amended to read:

15 “285B.080. (1) The Oregon Business Development Commission may appoint the Director of the
16 Oregon Business Development Department as the commission’s representative and agent in all mat-
17 ters pertaining to ORS 285B.050 to 285B.098.

18 “(2) The director shall ensure that all provisions of ORS 285B.050 to 285B.098 are complied with
19 and that appropriately trained personnel are employed to properly administer the fiscal and other
20 portions of ORS 285B.050 to 285B.098.

21 “(3) The director shall have the authority in the director’s sole discretion to approve loans for
22 business development projects in the amount of *[\$100,000]* **\$250,000** or less and to disburse funds for
23 such projects.

24 “**SECTION 3.** ORS 285B.059, as amended by section 1 of this 2010 Act, is amended to read:

25 “285B.059. (1) The Oregon Business Development Commission may approve a business develop-
26 ment project proposed in an application filed under ORS 285B.050 to 285B.098 if, after investigation,
27 the commission finds that:

28 “(a) The proposed business development project is feasible and a reasonable risk from practical
29 and economic standpoints, and that the loan has reasonable prospect of repayment.

30 “(b) The applicant can provide good and sufficient collateral for the loan.

31 “(c) Moneys in the Oregon Business Development Fund are or will be available for the proposed
32 business development project.

33 “(d) There is a need for the proposed business development project.

34 “(e) The applicant has not received or entered into a contract or contracts exceeding \$1 million
35 with the commission, under authority of ORS 285B.050 to 285B.098, for the previous 365 days.

36 “[*(2)(a)*] **(2)** *[Except as provided in paragraph (b) of this subsection,]* The total amount of moneys
37 loaned from the fund for a business development project may not exceed 50 percent of the cost of
38 the project.

39 “[*(b)*] *The total amount of moneys loaned from the fund for a business development project may*
40 *exceed 50 percent of the cost of the project if two or more lenders have denied requests from the ap-*
41 *plicant to commit to participate in the financing of more than 50 percent of the cost of the project and*
42 *the only other available financing totals less than 50 percent of the cost of the project.]*

43 “[*(3)(a)*] **(3)** *[Except as provided in paragraph (b) of this subsection,]* **Except when the applicant**
44 **is a county or municipality or when there are payments other than the scheduled principal**
45 **and interest payments,** moneys may not be loaned from the fund for a business development

1 project unless there exists a commitment from a commercial or private lender, or a local develop-
2 ment group, to participate in the financing of the project.

3 “*(b) Moneys may be loaned from the fund for a business development project without a commit-*
4 *ment from a commercial or private lender, or a local development group, to participate in the financing*
5 *of the project if:*]

6 “[*(A) The applicant is a county or municipality;*]

7 “[*(B) There are payments other than the scheduled principal and interest payments; or*]

8 “[*(C) Two or more lenders have denied requests from the applicant to commit to participate in the*
9 *financing of the project and the applicant has no other available financing.*]

10 “(4) To encourage private sector and local development group participation in the financing of
11 business development projects, the commission may subordinate the security position of the fund to
12 that of other lenders.

13 “(5) In each fiscal year of a biennium, not less than 15 percent of all moneys available for
14 lending from the fund is reserved for loans to certified emerging small business enterprises which
15 are located in or draw their workforces from within distressed areas as determined by the Oregon
16 Business Development Department in cooperation with the Employment Department of this state.
17 Any amounts reserved for loans to such businesses that are not loaned in one fiscal year shall be
18 added to the amount reserved for loans to such businesses in the subsequent fiscal year. If the
19 Oregon Business Development Department is unable to obtain a sufficient number of approvable
20 applications to meet the requirements of this subsection, it may, notwithstanding the limitations
21 imposed by ORS 285B.050 (2)(g)(B), make loans to service and retail businesses operated by emerging
22 small business enterprises.

23 “**SECTION 4.** ORS 285B.080, as amended by section 2 of this 2010 Act, is amended to read:

24 “285B.080. (1) The Oregon Business Development Commission may appoint the Director of the
25 Oregon Business Development Department as the commission’s representative and agent in all mat-
26 ters pertaining to ORS 285B.050 to 285B.098.

27 “(2) The director shall ensure that all provisions of ORS 285B.050 to 285B.098 are complied with
28 and that appropriately trained personnel are employed to properly administer the fiscal and other
29 portions of ORS 285B.050 to 285B.098.

30 “(3) The director shall have the authority in the director’s sole discretion to approve loans for
31 business development projects in the amount of [~~\$250,000~~] **\$100,000** or less and to disburse funds for
32 such projects.

33 “**SECTION 5. The amendments to ORS 285B.059 and 285B.080 by sections 3 and 4 of this**
34 **2010 Act become operative on July 1, 2011.**”.

35 On page 2, delete lines 1 through 29.

36 In line 30, delete “4” and insert “6”.

37 In line 35, delete “5” and insert “7”.