

# House Bill 3078

Sponsored by Representatives HUNT, WITT, KOMP; Representatives BAILEY, DEMBROW, READ

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows Oregon Growth Account to be used to make loans to or invest in small businesses that operate in traded sector markets.

## A BILL FOR AN ACT

1  
2 Relating to the Oregon Growth Account; amending ORS 348.701 and 348.702.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 348.701 is amended to read:

5 348.701. As used in ORS 348.701 to 348.710:

6 (1) "Board" means the Oregon Growth Account Board established in ORS 348.707.

7 (2) "Emerging growth business" means an individual or group of individuals or a new or small  
8 company, including but not limited to any new or small partnership, limited liability company, cor-  
9 poration, firm, association or other entity, that has the capacity, upon obtaining appropriate capital,  
10 to generate significant high skill, high wage employment.

11 (3) "Management company" includes an individual or group of individuals, firm, association,  
12 limited partnership, partnership, corporation or other investment company.

13 (4) "Seed capital" means financing that is provided for the initial phases, including the first  
14 phase, of development, refinement and commercialization of a technology, product, process or inno-  
15 vation, including but not limited to facilitating technology transfers related to academic research,  
16 discoveries or developments for the purpose of commercialization of a technology, product, process  
17 or innovation.

18 (5) "**Small business corporation**" has the meaning given that term in ORS 316.871.

19 (6) "**Traded sector**" has the meaning given that term in ORS 285B.280.

20 **SECTION 2.** ORS 348.702 is amended to read:

21 348.702. (1) There is created within the Education Stability Fund the Oregon Growth Account,  
22 to which shall be credited, in the manner provided in subsection (2) of this section, five percent of  
23 the funds transferred under section 4, Article XV of the Oregon Constitution, from the Administra-  
24 tive Services Economic Development Fund to the Education Stability Fund. Separate records shall  
25 be maintained for moneys in the Oregon Growth Account that are available for the purposes speci-  
26 fied in subsection (5) of this section. The account may be credited with unrestricted appropriations,  
27 gifts, donations, grants or contract proceeds from any source, with investments or funds from any  
28 source and with returns on investments made from the account.

29 (2) The Oregon Department of Administrative Services may credit to the Oregon Growth Ac-  
30 count from the first funds transferred in a fiscal year to the Education Stability Fund under section  
31 4, Article XV of the Oregon Constitution, an amount up to the amount the department estimates to

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.  
New sections are in **boldfaced** type.

1 be five percent of the funds required to be transferred to the Education Stability Fund for that fiscal  
 2 year.

3 (3) If at the end of the fiscal year the amount credited to the Oregon Growth Account under  
 4 subsection (2) of this section is less than or greater than five percent of the amount required to be  
 5 transferred under section 4, Article XV of the Oregon Constitution, to the Education Stability Fund,  
 6 the amount credited to the Oregon Growth Account shall be adjusted in one of the following ways:

7 (a) The amount credited to the account in the following fiscal year may be adjusted;

8 (b) Any excess may be transferred from the Oregon Growth Account to the Education Stability  
 9 Fund; or

10 (c) Any shortage may be transferred from the Education Stability Fund to the Oregon Growth  
 11 Account from funds available for that purpose.

12 (4) Adjustments required by subsection (3) of this section shall be made without consideration  
 13 of any interest or other earnings that have accrued during the fiscal year.

14 (5) The purpose of the Oregon Growth Account is to earn returns for the Education Stability  
 15 Fund by:

16 (a) Making investments in or by providing seed capital for emerging growth businesses; **and**

17 (b) **Making loans to or investments in small business corporations that operate in traded**  
 18 **sector markets.**

19 (6) The investment of funds in the Oregon Growth Account shall be governed by the Oregon  
 20 Growth Account Board.

21 **SECTION 3.** ORS 348.702, as amended by section 2, chapter 805, Oregon Laws 2009, is amended  
 22 to read:

23 348.702. (1) There is created within the Education Stability Fund the Oregon Growth Account,  
 24 to which shall be credited, in the manner provided in subsection (2) of this section, 10 percent of the  
 25 funds transferred under section 4, Article XV of the Oregon Constitution, from the Administrative  
 26 Services Economic Development Fund to the Education Stability Fund. Separate records shall be  
 27 maintained for moneys in the Oregon Growth Account that are available for the purposes specified  
 28 in subsection (5) of this section. The account may be credited with unrestricted appropriations, gifts,  
 29 donations, grants or contract proceeds from any source, with investments or funds from any source  
 30 and with returns on investments made from the account.

31 (2) The Oregon Department of Administrative Services may credit to the Oregon Growth Ac-  
 32 count from the first funds transferred in a fiscal year to the Education Stability Fund under section  
 33 4, Article XV of the Oregon Constitution, an amount up to the amount the department estimates to  
 34 be 10 percent of the funds required to be transferred to the Education Stability Fund for that fiscal  
 35 year.

36 (3) If at the end of the fiscal year the amount credited to the Oregon Growth Account under  
 37 subsection (2) of this section is less than or greater than 10 percent of the amount required to be  
 38 transferred under section 4, Article XV of the Oregon Constitution, to the Education Stability Fund,  
 39 the amount credited to the Oregon Growth Account shall be adjusted in one of the following ways:

40 (a) The amount credited to the account in the following fiscal year may be adjusted;

41 (b) Any excess may be transferred from the Oregon Growth Account to the Education Stability  
 42 Fund; or

43 (c) Any shortage may be transferred from the Education Stability Fund to the Oregon Growth  
 44 Account from funds available for that purpose.

45 (4) Adjustments required by subsection (3) of this section shall be made without consideration

1 of any interest or other earnings that have accrued during the fiscal year.

2 (5) The purpose of the Oregon Growth Account is to earn returns for the Education Stability  
3 Fund by:

4 (a) Making investments in or by providing seed capital for emerging growth businesses; **and**

5 (b) **Making loans to or investments in small business corporations that operate in traded**  
6 **sector markets.**

7 (6) The investment of funds in the Oregon Growth Account shall be governed by the Oregon  
8 Growth Account Board.

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