

Senate Bill 785

Sponsored by Senator TELFER

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**.

Provides that provisions of BOOST program do not authorize Oregon Business Development Department to provide personnel placement services or other assistance in locating or hiring employees. Provides that department may not require as condition of making loan or providing grant that loan or grant applicant use particular personnel placement service.

Declares emergency, effective on passage.

1 A BILL FOR AN ACT

2 Relating to services provided by state agencies; amending section 2, chapter 93, Oregon Laws 2010;
3 and declaring an emergency.

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

5 SECTION 1. Section 2, chapter 93, Oregon Laws 2010, is amended to read:

6 Sec. 2. (1) As used in this section and section 3, **chapter 93, Oregon Laws 2010 [of this 2010
7 Act]**:

8 (a) "BOOST Account" means the Building Opportunities for Oregon Small Business Today Ac-
9 count established under section 3, **chapter 93, Oregon Laws 2010 [of this 2010 Act]**.

10 (b) "Comparable wages" means wages that are reasonably equivalent to wages paid to other
11 employees of a small business employer regardless of position.

12 (c) "Full-time" means a minimum of 35 hours per week or 25 hours per week with health benefit
13 plan coverage.

14 (d) "Health benefit plan" has the meaning given that term in ORS 743.730.

15 (e) "Small business employer" means a business having 100 or fewer employees in a traded sec-
16 tor industry.

17 (f) "Wages" means all compensation for performance of personal services by an employee for a
18 small business employer, including salaries, commissions, benefits, the cash value of all compen-
19 sation paid in any medium other than cash and any other form of remuneration paid to employees
20 for personal services.

21 (2) Any small business employer may file with the Oregon Business Development Department
22 an application to borrow money, or an application for a grant of financial assistance, from the
23 BOOST Account for industry development purposes as defined by rule of the department. The ap-
24 plication shall be filed in the manner and be accompanied by such information as the department
25 may prescribe by rule.

26 (3) The department may approve an application for a loan or grant under this section if, after
27 investigation, the department finds that:

28 (a) The applicant demonstrates a reasonable capacity to increase employment opportunities in
29 this state or, in the case of a loan, demonstrates a reasonable capacity to retain existing jobs in this
30 state.

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 (b) The applicant has established goals of creating new full-time jobs in Oregon or, in the case
2 of a loan, has established goals of retaining existing jobs in Oregon, with a reasonable prospect of
3 achieving such goals.

4 (c) The applicant has a demonstrated history of providing comparable wages to [its] **the**
5 **applicant's** employees.

6 (d) In the case of a loan, the applicant can provide good and sufficient collateral for the loan.

7 (e) Moneys are or will be available in the BOOST Account.

8 (4)(a) Following the department's approval of an application under subsection (3) of this section,
9 the department may:

10 (A) Enter into a loan contract with the applicant of not more than \$150,000, secured by good
11 and sufficient collateral, with a plan for repayment not to exceed four years. The contract entered
12 into under this subparagraph shall contain a repayment plan that includes the amount of interest
13 to be charged and information about appropriate legal remedies the department may pursue to se-
14 cure repayment upon the applicant's default or failure to comply with the contract, including with-
15 holding of any amounts otherwise due. The department shall develop rules governing repayment of
16 loans under this subparagraph and the collection of moneys owed to the BOOST Account. The de-
17 partment may take any action permitted by statute or rule that the department deems necessary to
18 secure the repayment of the loan.

19 (B) Make grants not to exceed \$2,500 per new full-time job established by the applicant after the
20 date of approval of its application. A grant may not be made under this subparagraph unless the new
21 full-time employee has been unemployed for at least 60 days preceding the date of hire and the new
22 full-time job is held by the employee for a minimum period of six consecutive months. The total sum
23 of moneys paid under this subparagraph may not exceed \$50,000 per applicant in any calendar year.
24 Grants made under this subparagraph shall be paid in the quarter following receipt by the depart-
25 ment of a report from the applicant that provides information about new full-time jobs established
26 by the applicant and upon verification of employment in a manner to be established by the depart-
27 ment by rule.

28 (b) In entering into loan contracts under paragraph (a)(A) of this subsection, the department
29 shall give preference to an applicant that proposes to create new full-time jobs.

30 **(5) This section does not authorize the department to provide personnel placement ser-**
31 **vices or other assistance in locating or hiring an employee and does not authorize the de-**
32 **partment to require as a condition of receiving a loan or grant under this section that an**
33 **applicant locate or hire an employee through a particular personnel placement service.**

34 **SECTION 2. This 2011 Act being necessary for the immediate preservation of the public**
35 **peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect**
36 **on its passage.**