

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

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Action: Do Pass and Be Referred to the Committee on Ways and Means by Prior Reference

Vote: 10 - 0 - 0

Yeas: Bentz, Cameron, Davis, Doherty, Gorsek, Lively, McKeown, Nathanson, Parrish, Read

Nays: 0

Exc.: 0

Prepared By: Troy Rayburn, Administrator

Meeting Dates: 2/25, 3/13

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**WHAT THE MEASURE DOES:** Removes sunset from Oregon Business Retention and Expansion Program. Allows Oregon Business Development Department to transfer moneys from Strategic Reserve Fund to Oregon Business Retention and Expansion Program Fund for purpose of making loans.

**ISSUES DISCUSSED:**

- Success of program
- Not prudent to remove sunset
- Forgivable loans for companies expanding or growing bring jobs
- Jobs

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Unless approved by the Joint Committee on Ways and Means or, if the Legislative Assembly is not in session, the Emergency Board, administrative expenses of the Oregon Business Development Department incurred in connection with the implementation and administration may not be paid from funds transferred from Oregon Business Retention and Expansion Program Fund. Expenses that are project-related are not considered to be administrative expenses of the department.

The Oregon Business Retention and Expansion Program was established with enactment of Senate Bill 219 (2011 Legislative Session). The program provides loans from the Oregon Business Retention and Expansion Program Fund; to be eligible to receive funds, an employer must meet the following criteria: have at least 150 employees; average 150 percent of the state average in annual per-employee compensation or do business in a distressed or rural area; average at least 150 percent of national average in annual per-employee compensation; plan to hire at least 50 new full-time employees in Oregon; and operate an industry in the traded sector. Retail businesses are not eligible.