

Enrolled
Senate Bill 1563

Sponsored by Senators ROSENBAUM, ROBLAN, BEYER, FERRIOLI, HANSELL, BATES, GIROD; Senators BAERTSCHIGER JR, BOQUIST, COURTNEY, DEVLIN, JOHNSON, KNOPP, KRUSE, MONNES ANDERSON, OLSEN, STARR, STEINER HAYWARD, THOMSEN, WHITSETT, WINTERS, Representatives BAILEY, BARKER, BARNHART, BARTON, BOONE, CLEM, DOHERTY, FAGAN, FREDERICK, GALLEGOS, GELSER, GOMBERG, GORSEK, GREENLICK, HOYLE, KENY-GUYER, KOMP, LININGER, LIVELY, MCKEOWN, NATHANSON, REARDON, SMITH WARNER, VEGA PEDERSON, WILLIAMSON, WITT (Presession filed.)

CHAPTER

AN ACT

Relating to entrepreneurial development; amending ORS 285B.286, 285B.740 and 285B.749; and declaring an emergency.

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

SECTION 1. ORS 285B.286 is amended to read:

285B.286. For traded sector industries, the Oregon Business Development Department shall undertake **entrepreneurial and** industry development activities that may include, but are not limited to, all of the following:

- (1) Focus groups and other meetings and related studies to identify traded sector industry members and issues of common concern within an industry.
- (2) State technical and financial support for formation of industry associations, publication of association directories and related efforts to create or expand the activities of industry associations.
- (3) Helping establish research consortia as well as partnering with universities and other research institutions to assist in the retention and recruitment of targeted industries.
- (4) Joint training and education programs and curricula related to the specific needs of traded sector industries.
- (5) Cooperative market **and entrepreneurial** development activities.
- (6) Analysis of the need, feasibility and cost for establishing product certification and testing facilities and services.
- (7) State technical and financial support to facilitate certification of sites as ready for development for traded sector industry. The support may include performing site assessments to determine the costs associated with development of individual sites.
- (8) Assistance to traded sector and cluster affiliated Oregon businesses and consortia in making investments that advance **entrepreneurial and** industry-related development activities or other identified competitiveness objectives of existing Oregon cluster businesses.
- (9) **Assistance and support that promote regional economic development strategies fostering entrepreneurship and the development of targeted industry clusters in rural communities.**

SECTION 2. ORS 285B.740 is amended to read:

285B.740. It is the intent of the Legislative Assembly that in the administration of ORS 285B.740 to 285B.758, the Oregon Business Development Department work closely with regional economic development organizations, community development corporations, small business development centers and organizations that promote and assist small businesses owned and operated by women and minorities, **and utilize policies, priorities and practices that further entrepreneurial and small business development in rural communities.** The department, to the maximum extent feasible and consistent with prudent financial controls, may delegate the administration and operation of the loan program created by ORS 285B.740 to 285B.758 to local and community-based entities. To carry out the policy described in this section:

(1) The department may contract with any nonprofit corporation or agency with experience and expertise in business finance to administer all or any part of the loan program created by ORS 285B.740 to 285B.758.

(2) When entering into an agreement for the administration of the loan program by any nonprofit corporation or agency, the department may agree to waive any claims it may have against such corporation or agency for losses arising out of the normal course of business, [so] **as** long as the corporation or agency does not act negligently or fraudulently in providing loans under ORS 285B.740 to 285B.758.

(3) When entering into an agreement to have a nonprofit corporation or agency administer the loan program created by ORS 285B.740 to 285B.758, the department may pay loan origination and loan servicing fees to the corporation or agency. The amount of such fees may be determined in the agreement between the department and the administering corporation or agency.

SECTION 3. ORS 285B.749 is amended to read:

285B.749. (1) The Oregon Business Development Department may approve an entrepreneurial development loan under ORS 285B.740 to 285B.758 if, after investigation, it finds that:

(a) The loan has a reasonable prospect of repayment from cash flow and collateral and is secured by good and sufficient collateral; and

(b) The applicant provides equity funds for the project in the form of cash or property in an amount equal to or greater than 20 percent of the amount of the loan.

(2) The department shall determine the amount of the initial loan and any subsequent loan to the borrower. The maximum of all loans to a borrower from the Oregon Entrepreneurial Development Loan Fund may not exceed [~~\$70,000~~] **\$100,000**.

(3) Entrepreneurial development loans shall be made for a period not exceeding [~~five~~] **10** years at a rate of interest that does not exceed 18 percent per annum.

SECTION 4. This 2014 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2014 Act takes effect on its passage.

Passed by Senate February 11, 2014

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Robert Taylor, Secretary of Senate

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Peter Courtney, President of Senate

Passed by House February 20, 2014

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Tina Kotek, Speaker of House

Received by Governor:

.....M,....., 2014

Approved:

.....M,....., 2014

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John Kitzhaber, Governor

Filed in Office of Secretary of State:

.....M,....., 2014

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Kate Brown, Secretary of State