

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 1516 - A2

79th Oregon Legislative Assembly – 2018 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Date: 2/26/2018

Measure Description:

Establishes Small Business Expansion Loan Fund to be administered by Oregon Business Development Department for purpose of making loans of early stage growth capital to individuals and business entities with 50 or fewer employees that may not be able to obtain adequate traditional commercial or private financing to meet operational and growth needs.

Government Unit(s) Affected:

Business Development Department (Business Oregon)

Summary of Expenditure Impact:

Costs related to the measure are anticipated to be minimal - See explanatory analysis.

Analysis:

The bill establishes the Small Business Expansion Loan Fund (Fund) and all moneys in the Fund are continuously appropriated to the Oregon Business Development Department (OBDD). OBDD may transfer existing money in the Oregon Business Development Fund to the Fund, when it is determined to be reasonable and financially appropriate. Moneys in the Fund may be administered by OBDD for the purpose of making loans, to individuals or businesses with 50 or fewer employees, to support acquisition of business assets or to pay for business operating expenses. Up to 20% of the moneys available in the Fund may be reserved for lending to individuals with low to moderate income and low to moderate personal net worth. Loans greater than \$250,000 may be approved by the Oregon Business Development Commission, or the Commissioning’s designee. No loan may be made for an amount greater than \$2 million. OBDD may charge fees to pay for administrative costs and expenses associated with administering the loans.

OBDD already administers similar loan programs and the agency anticipates using existing staffing and resources to support the Small Business Expansion Loan Fund; therefore, the work associated with the implementation of the loan program is anticipated to be minimal and absorbable within existing budgetary parameters. The Legislative Fiscal Office notes that utilizing the existing funding within the Oregon Business Development Fund (ORS 285B.053) may reduce the amount of funding available for loans made to businesses, counties, or municipalities for job creation and retention investments under the existing Oregon Business Development Fund program.