House Bill 2544
Sponsored by Representative EVANS (Presession filed.)

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.

Authorizes Oregon Innovation Council to make grants to small businesses for seed and start-up capital and gap funding to create and support invention, innovation and economic development in rural areas of state. Authorizes council to provide monetary awards to winners of contests designed to attract invention, innovative and entrepreneurial solutions and opportunities in rural areas of state.

Establishes Oregon Fund for Rural Small Business Development. Continuously appropriates moneys in fund to council to implement and administer grant program.

A BILL FOR AN ACT
Relating to small business economic development in rural areas of state.

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

SECTION 1. Sections 2 and 3 of this 2019 Act are added to and made a part of ORS 284.701 to 284.749.

SECTION 2. (1) As used in this section:
(a) “Gap funding” means funding provided to an Oregon small business located in a rural area to fund the initial phase of a business or invention endeavor until funding for subsequent phases of the endeavor can be obtained from another source.
(b) “Rural area” has the meaning given that term in ORS 285A.010.
(c) “Seed and start-up capital” means financing that is provided for the initial phases of development, refinement and commercialization of an invention, technology, product, process or innovation and includes, but is not limited to, funding for space, technical assistance and support and tools to produce patentable prototypes.
(d) “Small business” has the meaning given that term in ORS 285A.010.
(2) The Oregon Innovation Council, in consultation with the Oregon Business Development Department, may make grants from the Oregon Fund for Rural Small Business Development established under section 3 of this 2019 Act to:
(a) Provide seed and start-up capital and gap funding to small businesses in rural areas of this state whose principal objectives are to create and support invention, innovation and economic development in rural areas of this state; and
(b) Provide monetary awards to winners of contests designed to attract invention, innovative and entrepreneurial solutions and opportunities in rural areas of this state.

(3) To qualify for a grant under subsection (2) of this section, a proposal must be submitted in accordance with the standards and requirements adopted by the Oregon Innovation Council by rule, which must, at a minimum, require that a proposal:
(a) Contain a verified statement that the applicant has established or intends to establish a small business in a rural area of this state and spends, or will spend, at least 50 percent

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

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of the payroll on employees who are residents of a rural area of this state;
(b) Demonstrate that the objectives and goals of the applicant align or will align with regional business strategies;
(c) Demonstrate that the applicant has relevant workforce development skills and objectives; and
(d) Demonstrate that the objectives and goals of the applicant integrate with regional educational and training opportunities and community need.
(4) The Oregon Innovation Council shall give preference in awarding grants under this section to an applicant that demonstrates that the applicant has or will establish partnerships between and collaborations with schools, research institutions and public and private entities to create and support invention, innovation and economic development in rural areas of this state.
(5) The Oregon Innovation Council shall adopt rules to implement and administer the provisions of this section.

SECTION 3. (1) The Oregon Fund for Rural Small Business Development is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Oregon Fund for Rural Small Business Development shall be credited to the fund.
(2) Moneys in the Oregon Fund for Rural Small Business Development shall consist of:
(a) Amounts donated to the fund;
(b) Amounts appropriated or otherwise transferred to the fund by the Legislative Assembly;
(c) Income earned on moneys in the fund; and
(d) Other amounts deposited in the fund from any source.
(3) Moneys in the fund are continuously appropriated to the Oregon Innovation Council for the purpose of making grants under section 2 of this 2019 Act.