

Legislative Fiscal Office

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Joint Committee on Ways and Means

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Sen. Fred Girod, Senate Co-Vice Chair
Rep. David Gomberg, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Capital Construction Subcommittee

From: Steve Bender, Legislative Fiscal Office

Date: February 27, 2020

Subject: SB 1502 – Relating to the universal service fund
Work Session Recommendations

SB 1502 establishes the Agricultural Cooperative Member Low-Interest Loan Fund program in the State Department of Agriculture.

The Legislative Fiscal Office (LFO) recommends amending the bill to establish the program in the Oregon Business Development Department (OBDD). Unlike the Department of Agriculture, OBDD is experienced in operating loan programs. The program will be funded with \$120,000 of Lottery Funds, which will allow the Department to authorize approximately \$100,000 of low-interest loans. The loans will assist farmers who were members of cooperatives that became bankrupt, to transition into producing other high-viability crops. The loan program will become operative on January 1, 2021 and will sunset in 2040. The State Department of Agriculture will assist OBDD in evaluating loan applications.

Recommended Changes

LFO recommends adoption of the -2 amendments. These amendments transfer the program from the State Department of Agriculture to OBDD, provide \$120,000 of Lottery Funds for the program, set the maximum loan amount to \$30,000, and the maximum length of the loan term to 15 years. They also direct the State Department of Agriculture to assist OBDD, upon request, with evaluating loan applications.

MOTION: I move adoption of the -2 amendment to SB 1502. (VOTE)

Final Subcommittee Action

LFO recommends that SB 1502, as amended by the -2 amendments, to be moved to the Ways and Means Full Committee.

MOTION: I move SB 1502, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____