



*The League of Women Voters of Oregon is a 101-year-old grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.*

April 6, 2021

To: Rep. Lively, [Committee on Economic Recovery and Prosperity](#), Chair  
Members of the Committee on Economic Recovery and Prosperity

Email: <https://olis.oregonlegislature.gov/liz/2021R1/Committees/HERP/Overview>

Re: [HB 2266](#) – Access to capital for minority-owned businesses – **Support**

The LWV of Oregon believes in fair, equitable, and stable tax and revenue policies to adequately fund services and functions critical to Oregonians. The League supports a tax system that is based on the ability to pay, but that **applies a benefits-received principle wherever reasonable and that recognizes the role of social expediency for justice and equity.**

The LWVOR supports the allocation of \$10 million of General Fund revenue to Oregon Business Development Department (Business Oregon) in [HB 2266](#) for economic development and by providing access to capital specifically for minority-owned businesses and underserved entrepreneurs to promote racial and economic equity. This is a governor-requested bill designed to help provide capital for very small businesses, and especially BIPOC-owned.

We have heard a good deal of testimony this past year about the lack of access to capital for small businesses, and the bill with the -3 amendment is designed to address the issue by providing funding to Oregon Business Development for award grants to lenders to fund their loan loss reserve accounts if certain loan requirements are met for eligible borrowers. Oregon Small Business United provided excellent testimony in support on March 18: ***“The lack of access to capital for business -- ranging from start-ups to more mature companies -- is an inhibiting factor in economic growth for our state. [HB 2266](#) is an important first step to addressing institutional and social barriers that have made access to capital nearly impossible for small business owners, especially those in rural, veteran and BIPOC communities. The lack of personal wealth or savings and collateral/asset requirements for traditional loans have led to small business owners to rely heavily on personal credit cards. Compounding this challenge has been the lack of technical assistance that recognizes specific needs and challenges of underserved communities.”***

We think this bill has the potential in the -3 to make a well overdue contribution to remedying racial inequities concerning economic opportunity for the BIPOC community, and other small businesses without collateral or credit by fostering access to the capital they need to survive and thrive. If we want to reduce racial and economic inequalities, we must support using our tax revenue to encourage lenders to make loans available for low-income families through an RFP process.

We urge your support for HB 2266. Thank you for the opportunity to discuss this legislation.

Rebecca Gladstone  
LWVOR President

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