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WAYS AND MEANS

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To: Capital Construction Subcommittee
From: Wendy Gibson, Legislative Fiscal Office
Date: March 2, 2026
Subject: HB 4075 – Relating to Relating to hospital finance
Work Session Recommendations

HB 4075 directs the Oregon State Treasurer to guarantee an eligible rural hospital stabilization loan by April 1, 2027. The loan being guaranteed must be for addressing cash shortages or refinancing existing debt and the loan must have a maturity date within 20 years after the closing date of the loan. The measure specifies additional loan requirements, including that the loan be fully amortized with no balloon payments and that it be secured by a first position lien on substantially all the hospital's real property and equipment.

The measure directs the Oregon State Treasurer to spend up to \$44 million of moneys in the Unclaimed Property and Estates Fund to fulfill contractual obligations on a guarantee and specifies this does not constitute a debt or obligation of the State of Oregon.

The measure has a minimal fiscal impact to implement; however, the treasurer may need to hold a reserve in the Unclaimed Property and Estates Fund to guarantee the loan, which could reduce the amount of interest earnings generated and subsequently the required transfer to the Common School Fund. The amount held in reserve and interest earning rates will vary over the 20-year life of the loan. For this reason, the full fiscal impact of the measure is indeterminate.

Final Subcommittee Action

LFO recommends that HB 4075 be moved to the Ways and Means Full Committee.

MOTION: I move HB 4075 to the Full Committee with a do pass recommendation.
(vote)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____