

# SUBCOMMITTEE RECOMMENDATION

## HB 4075

### Relating to hospital finance

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To: Ways and Means Full Committee  
From: Capital Construction Subcommittee  
Carrier: Senator Brock Smith

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HB 4075 directs the Oregon State Treasury to spend up to \$44 million from the Unclaimed Property and Estates Fund 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 of 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 has a minimal fiscal impact to implement; however, the State Treasurer may need to hold a reserve in the Unclaimed Property and Estates Fund to guarantee the loan, which could reduce interest earnings generated and the 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.

The Capital Construction Subcommittee recommends HB 4075 be reported out do pass.