

A-Engrossed House Bill 4075

Ordered by the House February 26
Including House Amendments dated February 26

Sponsored by Representative WRIGHT, Senator SMITH DB, Representative JAVADI; Representatives EDWARDS, HELFRICH, MANNIX, MCINTIRE, MUNOZ, NELSON, NOSSE, OSBORNE, PHAM H, RESCHKE, SCHARF, Senator WEBER (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. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: This Act makes the State Treasurer use unclaimed moneys to guarantee a loan to a hospital. (Flesch Readability Score: 63.6).

[Digest: This Act lets the State Treasurer loan unclaimed moneys to rural hospitals. (Flesch Readability Score: 60.7).]

[Authorizes] **Requires** the State Treasurer to *[loan]* use up to *[20 percent of]* **\$44 million from the Unclaimed Property and Estates Fund to guarantee a loan made to a rural *[hospitals]* hospital for financial stabilization.**

Declares an emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to hospital finance; and declaring an emergency.

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

4 **SECTION 1. Section 2 of this 2026 Act is added to and made a part of ORS chapter 285A.**

5 **SECTION 2. (1) On or before April 1, 2027, the State Treasurer shall guarantee an eligible**
6 **rural hospital stabilization loan under this section.**

7 **(2) A rural hospital stabilization loan that is eligible to be guaranteed under this section**
8 **must:**

9 **(a) Be made to a hospital that:**

10 **(A) Is governed by a publicly elected board; and**

11 **(B) Receives Medicare reimbursement on the basis of diagnostic related groups;**

12 **(b) Be used only to address cash shortages or to refinance existing debt and not to ex-**
13 **pend services, facilities or operations or to make capital improvements;**

14 **(c) Have a maturity date of no later than 20 years after the closing date of the loan;**

15 **(d) Be a fully amortized loan with no provisions allowing or requiring interest-only or**
16 **balloon payments;**

17 **(e) Be made by a single lender or loan syndicate;**

18 **(f) Be secured by a first position lien on substantially all of the hospital's real property**
19 **and material equipment;**

20 **(g) Provide the State of Oregon with all rights typical of a secured party in a commercial**
21 **transaction;**

22 **(h) Require the hospital and lender to exercise all commercially reasonable efforts, not**
23 **including foreclosure upon the hospital's real property or equipment securing the loan, to**

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

1 meet the debt obligation before pursuing the guarantee;

2 (i) Be provided to the State Treasurer; and

3 (j) Require the hospital or lender to give prompt notice to the State Treasurer:

4 (A) When the loan is paid in full;

5 (B) If servicing of the loan is transferred;

6 (C) If the loan is in default; or

7 (D) If the hospital executes additional loan agreements or modifications to the loan
8 guaranteed under this section.

9 (3) The guarantee of a loan under this section terminates upon the earliest of:

10 (a) Thirty days following the loan's maturity date;

11 (b) Replacement of the loan guaranteed under this section with a new loan to the hospi-
12 tal; or

13 (c) Full repayment of the loan to the guaranteed lender.

14 (4) A hospital whose loan is guaranteed under this section shall provide annual reports
15 to the State Treasurer indicating:

16 (a) The outstanding loan balance;

17 (b) The repayment status of the loan; and

18 (c) The financial standing of the hospital.

19 (5) A guarantee issued under this section may only be payable from moneys in the Un-
20 claimed Property and Estates Fund established under ORS 98.389 and does not constitute a
21 debt or obligation of the State of Oregon.

22 SECTION 3. Section 4 of this 2026 Act is added to and made a part of ORS 98.302 to 98.436.

23 SECTION 4. Notwithstanding ORS 98.389 (3), the State Treasurer shall expend up to \$44
24 million of the moneys in the Unclaimed Property and Estates Fund established under ORS
25 98.389 as needed to fulfill contractual obligations on a guarantee issued under section 2 of
26 this 2026 Act.

27 SECTION 5. Section 4 of this 2026 Act is repealed on January 2, 2048.

28 SECTION 6. Section 4 of this 2026 Act does not become operative until and unless, on or
29 before April 1, 2027, a loan is guaranteed under section 2 of this 2026 Act.

30 SECTION 7. This 2026 Act being necessary for the immediate preservation of the public
31 peace, health and safety, an emergency is declared to exist, and this 2026 Act takes effect
32 on its passage.

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