

Requested by Representative McLAIN

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 4075**

1 On page 1 of the printed A-engrossed bill, delete lines 4 through 23 and
2 delete page 2 and insert:

3 **“SECTION 1. The Legislative Assembly finds that there has been a
4 decline for two or more consecutive quarters in the last 12 months in
5 seasonally adjusted nonfarm payroll employment.**

6 **“SECTION 2. Notwithstanding any condition or limitation described
7 in ORS 293.144, for the biennium ending June 30, 2027, the amount of
8 \$45,000,000 is transferred from the Oregon Rainy Day Fund to the Rural
9 Hospital Guarantee Fund established under section 4 of this 2026 Act.**

10 **“SECTION 3. (1) On or before April 1, 2027, the State Treasurer shall
11 guarantee an eligible rural hospital stabilization loan under this sec-
12 tion.**

13 **“(2) A rural hospital stabilization loan that is eligible to be guar-
14 anteed under this section must:**

15 **“(a) Be made to a hospital that:**

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

17 **“(B) Receives Medicare reimbursement on the basis of diagnostic
18 related groups;**

19 **“(b) Be used only to address cash shortages or to refinance existing
20 debt and not to expand services, facilities or operations or to make
21 capital improvements;**

1 “(c) Have a maturity date of no later than 20 years after the closing
2 date of the loan;

3 “(d) Be a fully amortized loan with no provisions allowing or re-
4 quiring interest-only or balloon payments;

5 “(e) Be made by a single lender or loan syndicate;

6 “(f) Be secured by a first position lien on substantially all of the
7 hospital’s real property and material equipment;

8 “(g) Provide the State of Oregon with all rights typical of a secured
9 party in a commercial transaction;

10 “(h) Require the hospital and lender to exercise all commercially
11 reasonable efforts, not including foreclosure upon the hospital’s real
12 property or equipment securing the loan, to meet the debt obligation
13 before pursuing the guarantee;

14 “(i) Be provided to the State Treasurer; and

15 “(j) Require the hospital or lender to give prompt notice to the
16 State Treasurer:

17 “(A) When the loan is paid in full;

18 “(B) If servicing of the loan is transferred;

19 “(C) If the loan is in default; or

20 “(D) If the hospital executes additional loan agreements or modifi-
21 cations to the loan guaranteed under this section.

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

24 “(a) Thirty days following the loan’s maturity date;

25 “(b) Replacement of the loan guaranteed under this section with a
26 new loan to the hospital; or

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

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

30 “(a) The outstanding loan balance;

1 **“(b) The repayment status of the loan; and**

2 **“(c) The financial standing of the hospital.**

3 **“(5) A guarantee issued under this section is payable only from**
4 **moneys in the Rural Hospital Guarantee Fund established under sec-**
5 **tion 4 of this 2026 Act and does not constitute a debt or obligation of**
6 **the State of Oregon.**

7 **“SECTION 4. (1) The Rural Hospital Guarantee Fund is established**
8 **in the State Treasury, separate and distinct from the General Fund.**
9 **Interest earned by the Rural Hospital Guarantee Fund shall be cred-**
10 **ited to the fund.**

11 **“(2) The fund consists of moneys transferred to the fund by the**
12 **Legislative Assembly or otherwise.**

13 **“(3) Moneys in the fund are continuously appropriated to the State**
14 **Treasurer as needed to fulfill the contractual obligations on a guar-**
15 **antee issued under section 3 of this 2026 Act.**

16 **“(4) To the extent that the State Treasurer determines that the**
17 **balance of this fund greatly outweighs the reasonably anticipated li-**
18 **ability under section 3 of this 2026 Act, the State Treasurer may**
19 **transfer the excess to:**

20 **“(a) The Oregon Rainy Day Fund established by ORS 293.144, but**
21 **only if, just prior to the time of a transfer, the balance of the Oregon**
22 **Rainy Day Fund is less than 12-1/2 percent of the amount of General**
23 **Fund revenues collected during the prior biennium; or**

24 **“(b) The General Fund for general government purposes.**

25 **“SECTION 5. Section 4 of this 2026 Act is repealed on June 30, 2048.**

26 **“SECTION 6. Any unobligated moneys in the Rural Hospital Guar-**
27 **antee Fund on July 1, 2048, shall be transferred to:**

28 **“(1) The Oregon Rainy Day Fund established by ORS 293.144, but**
29 **only if, just prior to the time of a transfer, the balance of the Oregon**
30 **Rainy Day Fund is less than 12-1/2 percent of the amount of General**

1 Fund revenues collected during the prior biennium; or

2 “(2) The General Fund for general government purposes.

3 “SECTION 7. Section 4 of this 2026 Act does not become operative
4 unless, on or before April 1, 2027, the State Treasurer guarantees a
5 loan under section 3 of this 2026 Act, in which case section 4 of this
6 2026 Act becomes operative on the date that the State Treasurer
7 guarantees the loan.

8 “SECTION 8. This 2026 Act being necessary for the immediate
9 preservation of the public peace, health and safety, an emergency is
10 declared to exist, and this 2026 Act takes effect on its passage.”.

11
