

Senate Bill 156

Sponsored by Senator MONNES ANDERSON (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 **as introduced**.

Directs Oregon Business Development Department to provide financial assistance and training and technical assistance to microenterprises and microenterprise support organizations.

Creates Microenterprise Development Fund. Continuously appropriates moneys in fund to department for purposes of Act.

Authorizes department to transfer funds from Oregon Entrepreneurial Development Loan Fund to Microenterprise Development Fund.

A BILL FOR AN ACT

1
2 Relating to microenterprise development; creating new provisions; and amending ORS 285B.178,
3 285B.179 and 285B.186.

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

5 **SECTION 1.** ORS 285B.178 is amended to read:

6 285B.178. As used in [*this section and ORS 285B.179*] **ORS 285B.178 to 285B.186:**

7 (1) **“Financial assistance” means a grant or a loan provided to a microentrepreneur or**
8 **to a microenterprise support organization under section 4 of this 2015 Act.**

9 [*(1) “Local microenterprise support organization” means a community development corporation, a*
10 *nonprofit development organization, a nonprofit social services organization or another locally operated*
11 *nonprofit entity that provides services to disadvantaged entrepreneurs.*]

12 (2) **“Low income” means income adjusted for family size that does not exceed:**

13 (a) For metropolitan areas, 80 percent of median income; or

14 (b) For nonmetropolitan areas, the greater of 80 percent of the area median income or 80 per-
15 cent of the statewide nonmetropolitan area median income.

16 (3) **“Microenterprise”** [*has the meaning given that term under 15 U.S.C. 6901, as amended and in*
17 *effect on June 30, 2007. If 15 U.S.C. 6901 is amended or altered on or after July 1, 2007, the Oregon*
18 *Business Development Department may adopt by rule a definition of “microenterprise” to give the term*
19 *the meaning given in 15 U.S.C. 6901 as amended or altered*] **means a business owned and operated**
20 **by an individual that has no more than four employees and that generally lacks adequate**
21 **access to conventional loans, capital, banking services, financial assistance, training and**
22 **technical assistance or other resources essential for business success.**

23 (4) **“Microenterprise support organization” means a statewide or local nonprofit entity**
24 **or program, including but not limited to a community development corporation or organiza-**
25 **tion, a nonprofit social services organization or any other state or locally operated nonprofit**
26 **entity or program, that provides services to low income or very low income microentrepre-**
27 **neurs or that serves as an intermediary between the Oregon Business Development Depart-**
28 **ment and other microenterprise support organizations.**

29 [(4)] (5) **“Microentrepreneur” means an individual conducting a microenterprise.**

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 [(5) “Microlending” means the practice of lending moneys to microenterprises or microentrepreneurs.]
2

3 [(6) “Statewide microenterprise support organization” means a community development corporation,
4 a nonprofit development organization, a nonprofit social services organization or another nonprofit
5 entity that serves as an intermediary between the department and local microenterprise support organ-
6 izations.]

7 [(7) (6) “Training and technical assistance” means services and support offered to microenter-
8 prises and microentrepreneurs[. “Training and technical assistance” includes], **including** but [is] not
9 limited to[,] services to enhance business development, asset building, business planning, marketing,
10 management skills and access to financial services.

11 [(8) (7) “Very low income” means income adjusted for family size that does not exceed 150
12 percent of the poverty level determined under 42 U.S.C. 9902, as amended and in effect on June 30,
13 [2007] **2015**. If 42 U.S.C. 9902 is amended or altered on or after July 1, [2007] **2015**, the department
14 may adopt by rule the standard for determining the federal poverty level under 42 U.S.C. 9902 as
15 amended or altered.

16 **SECTION 2.** ORS 285B.179 is amended to read:

17 285B.179. The purposes of [ORS 285B.178 and this section] **ORS 285B.178 to 285B.186** are to:

18 (1) Ensure that microenterprises in Oregon are able to realize their full potential to create jobs,
19 enhance entrepreneurial skills, expand entrepreneurial activity and increase the capacity of low in-
20 come and very low income households to become self-sufficient;

21 (2) Enhance the development of a statewide infrastructure for microenterprise support; [and]

22 (3) Enable the Oregon Business Development Department to engage in contractual relationships
23 with [statewide] microenterprise support organizations that have the capacity to [administer grants]
24 **provide financial assistance and training and technical assistance** to [local] **microenterprises**
25 **or other** microenterprise support organizations[, subject to ORS 285B.178 and this section,] and to
26 leverage additional funds [from sources other than moneys appropriated from the General Fund] **for**
27 **the purposes set forth in ORS 285B.178 to 285B.186; and**

28 (4) **To enable the department to utilize moneys from the Oregon Entrepreneurial Devel-**
29 **opment Loan Fund established under ORS 285B.758 to provide financial assistance to micro-**
30 **enterprises.**

31 **SECTION 3.** Sections 4 and 5 of this 2015 Act are added to and made a part of ORS
32 **285B.178 to 285B.186.**

33 **SECTION 4.** (1) **The Oregon Business Development Department may provide financial**
34 **assistance and training and technical assistance to microentrepreneurs or to microenterprise**
35 **support organizations for the purposes set forth in ORS 285B.178 to 285B.186.**

36 (2) **A microentrepreneur or microenterprise support organization may apply for financial**
37 **assistance or training and technical assistance in writing in a form prescribed by the de-**
38 **partment by rule. The application shall include, at a minimum, a verified statement that the**
39 **microenterprise does not and will not have more than four employees, including new and**
40 **existing employees, at any one time, and that the microentrepreneur does not have access**
41 **to other forms of conventional loans, capital, banking services, financial assistance, training**
42 **and technical assistance or other resources essential for business success.**

43 (3) **The department may approve an application of a microentrepreneur or microenter-**
44 **prise support organization in accordance with standards and criteria established by the de-**
45 **partment by rule. The department shall give priority to applications submitted by minority**

1 **microentrepreneurs whose businesses are underrepresented across the state in relation to**
2 **businesses not owned by minorities.**

3 **(4) The department may transfer moneys credited to the Oregon Entrepreneurial Devel-**
4 **opment Loan Fund established under ORS 285B.758 to the Microenterprise Development Fund**
5 **established under section 5 of this 2015 Act to be used for the purpose of providing financial**
6 **assistance and training and technical assistance in accordance with the provisions of this**
7 **section.**

8 **(5) The department may adopt rules to implement the duties of the department under**
9 **ORS 285B.178 to 285B.186.**

10 **SECTION 5. The Microenterprise Development Fund is established in the State Treasury,**
11 **separate and distinct from the General Fund. Interest earned by the Microenterprise Devel-**
12 **opment Fund shall be credited to the fund. The fund consists of moneys deposited in the fund**
13 **and other moneys transferred to the fund. Moneys in the fund are continuously appropriated**
14 **to the Oregon Business Development Department for the purposes of administering and im-**
15 **plementing the provisions of ORS 285B.178 to 285B.186.**

16 **SECTION 6. ORS 285B.186 is amended to read:**

17 **285B.186. ORS 285B.178 [and 285B.179] to 285B.186 shall be known and may be cited as the**
18 **Microenterprise Development Act.**