

House Bill 2686

Sponsored by Representative EVANS (Pre-session 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**.

Authorizes Oregon Innovation Council to make grants to small businesses for seed and start-up capital and gap funding to create and support invention, innovation and economic development in rural areas of state. Authorizes council to provide monetary awards to winners of contests designed to attract invention, innovative and entrepreneurial solutions and opportunities in rural areas of state.

Establishes Oregon Fund for Rural Small Business Development. Continuously appropriates moneys in fund to council to implement and administer grant program.

A BILL FOR AN ACT

1
2 Relating to small business economic development in rural areas of state.

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

4 **SECTION 1. Sections 2 and 3 of this 2017 Act are added to and made a part of ORS 284.701**
5 **to 284.749.**

6 **SECTION 2. (1) As used in this section:**

7 (a) **“Gap funding” means funding provided to an Oregon small business located in a rural**
8 **area to fund the initial phase of a business or invention endeavor until funding for subse-**
9 **quent phases of the endeavor can be obtained from another source.**

10 (b) **“Rural area” means an area located entirely outside of the acknowledged Portland**
11 **Metropolitan Area Regional Urban Growth Boundary and the acknowledged urban growth**
12 **boundaries of cities with populations of 30,000 or more.**

13 (c) **“Seed and start-up capital” means financing that is provided for the initial phases of**
14 **development, refinement and commercialization of an invention, technology, product, process**
15 **or innovation and includes, but is not limited to, funding for space, technical assistance and**
16 **support and tools to produce patentable prototypes.**

17 (d) **“Small business” means a business that has 100 or fewer employees.**

18 (2) **The Oregon Innovation Council, in consultation with the Oregon Business Develop-**
19 **ment Department, may make grants from the Oregon Fund for Rural Small Business De-**
20 **velopment established under section 3 of this 2017 Act to:**

21 (a) **Provide seed and start-up capital and gap funding to small businesses in rural areas**
22 **of this state whose principal objectives are to create and support invention, innovation and**
23 **economic development in rural areas of this state; and**

24 (b) **Provide monetary awards to winners of contests designed to attract invention, inno-**
25 **vative and entrepreneurial solutions and opportunities in rural areas of this state.**

26 (3) **To qualify for a grant under subsection (2) of this section, a proposal must be sub-**
27 **mitted in accordance with the standards and requirements adopted by the Oregon Innovation**
28 **Council by rule, which must, at a minimum, require that a proposal:**

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 (a) Contain a verified statement that the applicant has established or intends to establish
2 a small business in a rural area of this state and spends, or will spend, at least 50 percent
3 of the payroll on employees who are residents of a rural area of this state;

4 (b) Demonstrate that the objectives and goals of the applicant align or will align with
5 regional business strategies;

6 (c) Demonstrate that the applicant has relevant workforce development skills and objec-
7 tives; and

8 (d) Demonstrate that the objectives and goals of the applicant integrate with regional
9 educational and training opportunities and community need.

10 (4) The Oregon Innovation Council shall give preference in awarding grants under this
11 section to an applicant that demonstrates that the applicant has or will establish partner-
12 ships between and collaborations with schools, research institutions and public and private
13 entities to create and support invention, innovation and economic development in rural areas
14 of this state.

15 (5) The Oregon Innovation Council shall adopt rules to implement and administer the
16 provisions of this section.

17 **SECTION 3.** (1) The Oregon Fund for Rural Small Business Development is established
18 in the State Treasury, separate and distinct from the General Fund. Interest earned by the
19 Oregon Fund for Rural Small Business Development shall be credited to the fund.

20 (2) Moneys in the Oregon Fund for Rural Small Business Development shall consist of:

21 (a) Amounts donated to the fund;

22 (b) Amounts appropriated or otherwise transferred to the fund by the Legislative As-
23 sembly;

24 (c) Income earned on moneys in the fund; and

25 (d) Other amounts deposited in the fund from any source.

26 (3) Moneys in the fund are continuously appropriated to the Oregon Innovation Council
27 for the purpose of making grants under section 2 of this 2017 Act.
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