



## SENATE MAJORITY OFFICE

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# NEWS RELEASE

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## **Bill makes capital more attainable for small businesses**

*SB 1516 establishes a Small Business Expansion Loan Fund*

SALEM – The Oregon Senate supported small businesses all over the state today by expanding access to capital to help them grow and hire employees.

[Senate Bill 1516](#) – which passed the Senate 29-0 today – establishes a Small Business Expansion Loan Fund to be managed by the Oregon Business Development Department (dba Business Oregon). Oregon counts on small business innovation to build local economies and the revolving loan fund established in the bill will best enable Business Oregon to continue supporting the growth of early-stage businesses in our state.

“Early-stage, high-growth companies often face difficulties in securing capital as they seek to expand their fledgling ventures,” Sen. Ginny Burdick, D-Portland, who carried the bill on the Senate floor said. “Small businesses owned by women and people of color, and those located in rural Oregon, face additional funding barriers. The Oregon Small Business Expansion Loan Fund will help strengthen innovation and job growth in our state.”

More than 95 percent of employers in our state employ fewer than 50 workers, and those same small businesses employ nearly 40 percent of the state’s workforce. The greatest barrier to small businesses is access to capital. This is particularly true for early-stage businesses, which are critical to creating new jobs. In a 2015 report, the Kauffman Foundation found that “new businesses account for nearly all net new job creation and nearly 20 percent of gross job creation.”

The revolving loan fund will help Oregon thrive by improving small business access to capital. Loan recipients must meet certain criteria, including market readiness, reasonable growth

potential and generating enough projected profits to support repaying the loans. It also fills a gap where small businesses have few options to get the financing they need to grow and thrive. Up to 20 percent of the Fund may be reserved for loans to applicants who are considered to have low to moderate household income and personal net worth.

The bill now goes to the House of Representatives for consideration.

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