

DRAFT

SUMMARY

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

Authorizes the State Treasurer to loan up to 20 percent of the Unclaimed Property and Estates Fund to rural hospitals for financial stabilization.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

Relating to hospital finance; creating new provisions; amending ORS 98.389 and 293.701; and declaring an emergency.

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

SECTION 1. (1) The State Treasurer may use up to 20 percent of the Unclaimed Property and Estates Fund established under ORS 98.389 to issue rural hospital stabilization loans under this section.

(2) Rural hospital stabilization loans are available only to hospitals that:

(a) Are rural hospitals, as defined in ORS 442.470;

(b) Are owned and operated by a publicly elected board; and

(c) Receive Medicare reimbursement on the basis of diagnostic related groups.

(3) Rural hospital stabilization loans may only be used to address cash shortages or to refinance existing debt and may not be used to expand services, facilities or operations or to make capital improvements.

(4) To be eligible for a rural hospital stabilization loan, a hospital must include in its application:

1 (a) A stabilization plan that includes financial forecasts and near-
2 term plans showing reductions in expenses or increases to revenue,
3 including through anticipated grants or other assistance that is not
4 yet realized; and

5 (b) A statement by the Director of the Oregon Health Authority
6 approving the plan.

7 (5) Interest charged on a rural hospital stabilization loan may not
8 be less than the applicable federal funds rate at the time the loan was
9 issued.

10 (6) In determining whether to issue a rural hospital stabilization
11 loan, the State Treasurer may consult with the Oregon Health Au-
12 thority and may consider any factors, including:

13 (a) The repayment feasibility over the term of the loan;

14 (b) The expected improvements to the hospital's operations if the
15 loan is provided; and

16 (c) The expected public benefits, including benefits to economic ac-
17 tivity and to access to health care, if the loan is provided.

18 **SECTION 2.** ORS 98.389 is amended to read:

19 98.389. (1) There is established the Unclaimed Property and Estates Fund,
20 separate and distinct from the General Fund.

21 (2) The Unclaimed Property and Estates Fund consists of:

22 (a) Unclaimed property, including the proceeds of unclaimed property,
23 under ORS 98.302 to 98.436;

24 (b) Penalties related to unclaimed property assessed under ORS 98.992;

25 (c) Estates escheated to the state under ORS 112.055 and subject to claims
26 under ORS 116.253;

27 (d) Moneys in accounts that escheat to the state under ORS 708A.430 (5)
28 or 723.466 (5);

29 (e) Moneys transferred to the fund by the Department of State Lands from
30 the Unclaimed Property School Fund under ORS 273.108;

31 (f) Other moneys appropriated or transferred to the Unclaimed Property

and Estates Fund by the Legislative Assembly or by operation of law; *[and]*

(g) Payments of principle, interest, fees or penalties on rural hospital stabilization loans made under section 1 of this 2026 Act; and

[(g)] **(h)** Interest earned by the fund.

(3) Moneys in the fund are continuously appropriated to the State Treasurer for:

(a) The costs of administering unclaimed property under ORS 98.302 to 98.436;

(b) The costs of administering estates under ORS 113.235;

(c) The payment of valid claims to abandoned property made under ORS 98.392;

(d) The payment of valid claims for escheated property under ORS 116.253; *[and]*

(e) Issuing rural hospital stabilization loans, as provided in section 1 of this 2026 Act; and

[(e)] **(f)** The costs of administering the fund.

(4) Before July 1 of each year, the State Treasurer shall transfer from the Unclaimed Property and Estates Fund:

(a) To the Common School Fund, all moneys and properties of escheated estates for which any claim has elapsed under ORS 116.253; and

(b) To the Unclaimed Property School Fund, all remaining moneys and properties in the Unclaimed Property and Estates Fund, except for the amount that the State Treasurer anticipates requiring to meet the expenses and liabilities of the Unclaimed Property and Estates Fund until the end of the following fiscal year, including transfers under paragraph (a) of this subsection.

SECTION 3. ORS 293.701 is amended to read:

293.701. As used in ORS 293.701 to 293.857, unless the context requires otherwise:

(1) “Council” means the Oregon Investment Council.

(2) “Investment funds” means:

- 1 (a) Public Employees Retirement Fund referred to in ORS 238.660;
- 2 (b) Industrial Accident Fund referred to in ORS 656.632;
- 3 (c) Consumer and Business Services Fund referred to in ORS 705.145;
- 4 (d) Employment Department Special Administrative Fund referred to in
- 5 ORS 657.822;
- 6 (e) Insurance Fund referred to in ORS 278.425;
- 7 (f) Funds under the control and administration of the Department of State
- 8 Lands;
- 9 (g) Oregon Student Assistance Fund referred to in ORS 348.570;
- 10 (h) Moneys made available to the Commission for the Blind under ORS
- 11 346.270 and 346.569 or rules adopted thereunder;
- 12 (i) Forest Development Revenue Bond Fund referred to in ORS 530.147
- 13 and State Forestry General Obligation Bond Fund referred to in ORS 530.280;
- 14 (j) Oregon War Veterans' Fund referred to in ORS 407.495;
- 15 (k) Oregon War Veterans' Bond Sinking Account referred to in ORS
- 16 407.515;
- 17 (L) World War II Veterans' Compensation Fund;
- 18 (m) World War II Veterans' Bond Sinking Fund;
- 19 (n) Funds in the hands of the State Treasurer that are not required to
- 20 meet current demands and that are invested in the Oregon Short Term Fund
- 21 established under ORS 293.728 or in another commingled investment vehicle;
- 22 (o) State funds that are not subject to the control and administration of
- 23 officers or bodies specifically designated by law;
- 24 (p) Funds derived from the sale of state bonds;
- 25 (q) Social Security Revolving Account referred to in ORS 237.490;
- 26 (r) Public University Fund established by ORS 352.450;
- 27 (s) Local Government Employer Benefit Trust Fund referred to in ORS
- 28 657.513;
- 29 (t) Education Stability Fund established by ORS 348.696;
- 30 (u) Deferred Compensation Fund established under ORS 243.411;
- 31 (v) Trust for Cultural Development Account established under ORS

1 359.405;

2 (w) The State Library Donation Fund and the Talking Book and Braille
3 Library Endowment Fund subaccount established under ORS 357.195;

4 (x) Funds in the Unclaimed Property and Estates Fund, **not including**
5 **moneys loaned under section 1 of this 2026 Act**; and

6 (y) Funds in the Common School Fund or any subaccount of the fund, that
7 are available for investment.

8 (3) "Investment officer" means the State Treasurer in the capacity as in-
9 vestment officer for the council.

10 **SECTION 4. This 2026 Act being necessary for the immediate pres-**
11 **ervation of the public peace, health and safety, an emergency is de-**
12 **clared to exist, and this 2026 Act takes effect on its passage.**

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