

HB 3110 -3 STAFF MEASURE SUMMARY
House Committee On Economic Development

Prepared By: Melissa Leoni, LPRO Analyst

Meeting Dates: 3/4, 4/1

WHAT THE MEASURE DOES:

Creates Oregon Rural Service Center within Oregon Business Development Department to assist rural counties, cities, and special districts learn about, apply for, and manage grants and other funding opportunities to support community workforce and economic development. Authorizes Department to enter into agreements with Association of Oregon Counties and League of Oregon Cities to operate Center. Requires Department to report annually to Legislative Assembly on the assistance and funding opportunities supported by the Center. Appropriates General Fund moneys to Department for Center.

REVENUE: No revenue impact

FISCAL: Fiscal impact issued

ISSUES DISCUSSED:

- Small community capacity
- Return on investment
- Board oversight and delivery through existing infrastructure
- City and county size thresholds

EFFECT OF AMENDMENT:

-3 Replaces measure. Establishes Oregon Rural Capacity Fund to provide resources to Oregon's Economic Development Districts (EDDs) to assist rural jurisdictions to learn about, apply for, and manage grants and other funding opportunities to support workforce, infrastructure, economic development, and community development. Requires Oregon Business Development Department to develop and communicate program policy and purposes, determine moneys available, consult and coordinate with EDDs on distribution, and make distributions from Fund. Requires periodic consultation with League of Oregon Cities, Association of Oregon Counties, Oregon School Boards Association, and Special Districts Association of Oregon on implementation of program. Limits use of funding by member district to provide grant writing, grant administration, rural grant, and rural capacity building services to rural jurisdictions. Requires member district to report quarterly to Department. Requires Department to report annually to Legislative Assembly on program activities and certain metrics. Appropriates \$918,750 of General Fund moneys to Department for bill purposes. Becomes operative January 1, 2020. Declares emergency, effective on passage.

BACKGROUND:

The Oregon Business Development Department, more commonly known as Business Oregon, is the state's economic development agency. Its mission is to invest in Oregon businesses, communities, and people to promote a globally competitive, diverse, and inclusive economy. Business Oregon operates infrastructure financing programs that are available to local municipalities for water systems, wastewater systems, port development, roads, and other infrastructure needs related to business growth and community development.

Oregon has 12 Economic Development Districts (EDDs) covering all 36 counties, including one statewide tribal EDD and 11 regional EDDs. The EDDs often originate, package, and administer loans funded by state and federal programs, including the U.S. Department of Commerce Economic Development Administration, Small Business Administration, and U.S. Department of Agriculture. The EDD loan programs support economic development and

HB 3110 -3 STAFF MEASURE SUMMARY

business capital needs within the requirements of their funding sources. The EDDs also provide other business services and regional planning functions.

House Bill 3110 creates the Oregon Rural Service Center within Business Oregon to assist rural counties, cities, and special districts learn about, apply for, and manage grants and other funding opportunities to support community workforce and economic development. The measure authorizes Business Oregon to enter into agreements with the Association of Oregon Counties and the League of Oregon Cities to operate the Center, and appropriates General Fund monies to support the Center.