

HB 2054 A STAFF MEASURE SUMMARY

Carrier: Sen. Riley

Senate Committee On Business and General Government

Action Date: 04/30/19

Action: Do pass the A-Eng bill.

Vote: 5-0-0-0

Yeas: 5 - Dembrow, Girod, Hass, Olsen, Riley

Fiscal: No fiscal impact

Revenue: No revenue impact

Prepared By: Tyler Larson, LPRO Analyst

Meeting Dates: 4/30

WHAT THE MEASURE DOES:

Authorizes Oregon Innovation Council to make equity investments from the Oregon Innovation Fund and to contract with one or more management companies to manage those equity investments. Eliminates Oregon Commercialized Research Fund, advisory council, and associated grants or loans to growth businesses. Makes other program changes. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Current use of grants to support Oregon Innovation Council initiatives
- Need for statutory change to make other forms of investments
- Potential return on investment when using equity investments in lieu of grants
- Other changes to improve council operations

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Innovation Council, housed within Business Oregon, is a public-private partnership established in 2005 to help create new jobs and new companies, diversify Oregon's economy, and bring federal research dollars back to the state. The Council provides funding to accomplish its goals through three programs: 1) Signature Research Centers which focus on emerging industry sectors where Oregon has innate advantages with potential for high growth; 2) High Impact Opportunity Projects which are discrete projects that support the growth of industry sectors by removing barriers, supporting product development or testing, or expediting technology commercialization; and, 3) Small Business Innovation Research and Small Business Technology Transfer which are federal programs designed to stimulate technological innovation and provide opportunities for small businesses to conduct research and development with commercialization potential.

Section 6, Article XI, of the Constitution of the State of Oregon prohibits the state from subscribing to or having an interest in the stock of any company, association, or corporation except for certain donations or bequeaths or the investment of certain funds for higher education purposes.

House Bill 2054-A authorizes the Oregon Innovation Council to make equity investments from the Oregon Innovation Fund that are in accord with the Oregon Constitution and to contract with one or more management companies to manage those equity investments. The measure makes other program changes and eliminates the Oregon Commercialized Research Fund and its associated functions.