

**A-Engrossed**  
**House Bill 4165**

Ordered by the House February 20  
Including House Amendments dated February 20

Sponsored by COMMITTEE ON RULES (at the request of Representative Tina Kotek)

**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.

Requires Eastern Oregon Border Economic Development Board to establish programs through which grants and loans may be made to enhance and expand workforce development and economic development in Eastern Oregon Border Economic Development Region. Provides that no more than 10 grant and loan programs may be active at any time.

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to awarding moneys through programs in the eastern Oregon border region; amending ORS  
3 284.781 and 284.791; and declaring an emergency.

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

5 **SECTION 1.** ORS 284.781 is amended to read:

6 284.781. The Eastern Oregon Border Economic Development Board, in collaboration with and  
7 with the assistance of the Oregon Business Development Department, has the following duties,  
8 functions and powers:

9 (1) To identify policies and strategies that will:

10 (a) Promote workforce development, including development of residential housing necessary to  
11 attract and keep employees in the region, and economic development;

12 (b) Facilitate **the** development, [*or*] **and** prevent **the** decline, of regionally significant industrial  
13 sites;

14 (c) Create [*or*] **and** maintain jobs in the region; and

15 (d) Improve access to career and technical education, workforce training programs and higher  
16 education to enhance the availability of a qualified workforce for employers in the region.

17 (2) To make recommendations to the Legislative Assembly for policies and strategies intended  
18 to improve the availability of career and technical education, workforce training programs and  
19 higher education for the purpose of improving the availability of a qualified workforce for employers  
20 in the Eastern Oregon Border Economic Development Region.

21 (3) To identify specific laws that place specific workforce development [*or*] **and** economic de-  
22 velopment efforts in the Eastern Oregon Border Economic Development Region, including **the** de-  
23 velopment of residential housing necessary to attract and keep employees in the region, at a  
24 competitive disadvantage **with respect** to the same type of efforts in the areas across the Oregon  
25 border as described in ORS 284.786.

26 (4) **To establish programs through which one or more grants may be awarded, or one or**

**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 **more loans may be made, or both.**

2 **(5) To operate a program described in subsection (4) of this section directly or to contract**  
 3 **with a third-party administrator to operate the program.**

4 [(4)] **(6)** Subject to the availability of funds in the Eastern Oregon Border Economic Develop-  
 5 ment Board Fund **established under ORS 284.801**, to [make] **award** grants [or] **and make** loans [to  
 6 *qualified applicants pursuant to ORS 284.791, not to exceed a total of 10 active grants at any one*  
 7 *time]* **under ORS 284.791 through programs established pursuant to subsection (4) of this**  
 8 **section and operated in accordance with subsection (5) of this section.**

9 [(5)] **(7)** To establish a means to evaluate grants [or] **awarded and** loans made [by the board and  
 10 *the department]* **under ORS 284.791**, including, but not limited to, determining the number of busi-  
 11 nesses or regionally significant industrial sites assisted, the types and amount of resources lever-  
 12 aged, return on investment criteria, performance and outcome measures and methods to evaluate the  
 13 impact on jobs and wages in any area of the Eastern Oregon Border Economic Development Region  
 14 [to] **in** which grant or loan moneys [were applied or in which they] were utilized.

15 [(6)] **(8)** To facilitate collaboration among employers, local governments, state agencies and  
 16 stakeholders for the purpose of enhancing and expanding workforce development and economic de-  
 17 velopment in the region.

18 [(7)] **(9)** To consult with affected school districts, community colleges and universities and the  
 19 Employment Department in identifying policies and strategies that will enhance and promote  
 20 workforce development to improve the availability of a qualified workforce for employers in the  
 21 Eastern Oregon Border Economic Development Region.

22 [(8)] **(10)** To report [annually] on or before December 31 of each year to standing and interim  
 23 committees of the Legislative Assembly related to economic development regarding [implementation  
 24 and] **the** administration of the Eastern Oregon Border Economic Development Board and [grants or  
 25 *loans made by the board and the Oregon Business Development Department pursuant to]* **the imple-**  
 26 **mentation and administration of programs under ORS 284.791.** The report may include recom-  
 27 mendations [regarding proposed] **for** legislation and strategies to improve workforce development  
 28 and economic development in the region.

29 **SECTION 2.** ORS 284.791 is amended to read:

30 284.791. (1)(a) Subject to the availability of funds in the Eastern Oregon Border Economic De-  
 31 velopment Board Fund **established under ORS 284.801**, the Eastern Oregon Border Economic De-  
 32 velopment Board may award grants [or] **and make** loans to eligible applicants to enhance and  
 33 expand workforce development [or] **and** economic development in the Eastern Oregon Border Eco-  
 34 nomic Development Region. [Repayment of loans made under this section is subject to subsection (8)  
 35 of this section. The board shall make the decision to approve and award grants or loans under this  
 36 section, but the Oregon Business Development Department shall be responsible for the actual payment  
 37 of the grants or loans from the Eastern Oregon Border Economic Development Board Fund.]

38 **(b) Grants shall be awarded and loans made through programs established by the board**  
 39 **pursuant to ORS 284.781 (4) and operated in accordance with ORS 284.781 (5).**

40 **(c) No more than 10 programs may be active at any time. A program is active as long**  
 41 **as any loan made through the program remains outstanding or any work or project funded**  
 42 **or financed by a grant awarded through the program has not been completed in accordance**  
 43 **with the grant agreement.**

44 (2) Eligible applicants **for grants and loans** include, but are not limited to:

45 (a) Local governments;

1 (b) Institutions of higher education as defined in ORS 348.582;

2 (c) Private or nonprofit businesses whose principal place of business, or the majority of whose  
3 workforce, is located in the Eastern Oregon Border Economic Development Region;

4 (d) Small business development centers established under ORS 285B.165 to 285B.171;

5 (e) Economic development organizations;

6 (f) School districts; and

7 (g) Other entities as defined by the board by rule.

8 (3)(a) An eligible applicant may apply for a grant or loan by submitting an application and  
9 paying the required application fee, if any[, *in accordance with rules adopted by the board in con-*  
10 *sultation with the department. The rules must, at a minimum:*]

11 [(a)] (b) [*Establish criteria for the award of grants or loans under this section that provide that*  
12 *the*] **An** applicant must demonstrate **that** the grant or loan moneys will be used for:

13 (A) Economic development that will lead to private investment, job creation or retention and the  
14 establishment or expansion of viable businesses in the region;

15 (B) Expansion of [a] transportation infrastructure [*sufficient*] to facilitate moving traded sector  
16 goods or services in the region to market;

17 (C) Enhancement and expansion of workforce development in the region, including development  
18 of residential housing necessary to attract and keep employees in the region, that is responsive to  
19 the needs of the region's businesses and industries;

20 (D) Certification of regionally significant industrial sites within the region;

21 (E) Extension of private utilities, including, but not limited to, gas and electrical connections,  
22 to regionally significant industrial sites within the region;

23 (F) A due diligence assessment pursuant to the Oregon Industrial Site Readiness Assessment  
24 Program under ORS 285B.635 to 285B.640 or other assessments or evaluations that prepare a site  
25 for development; or

26 (G) Provision of support services and technical assistance to entrepreneurs and business owners  
27 in the region, including, but not limited to, small business development centers established under  
28 ORS 285B.165 to 285B.171.]; *and*]

29 [(b) *Establish criteria for repayment of loans, collection of moneys owed and repayment of grant*  
30 *proceeds in the event of default.*]

31 [(4)] (c) Applications for loans must contain:

32 [(a)] (A) A plan for repayment [*by the applicant to the Eastern Oregon Border Economic Devel-*  
33 *opment Board Fund*] of moneys borrowed from the fund [*plus*] **with** interest; and

34 [(b)] (B) If required by the **Oregon Business Development** Department and the board, evidence  
35 of debt assurance of, or security for, repayment by the applicant.

36 (d) **The board, in consultation with the department, shall adopt rules that, at a minimum,**  
37 **establish criteria for awarding grants and making loans under this section, in addition to the**  
38 **criteria set forth in paragraph (b) of this subsection.**

39 [(5)] (4) Loans **may not be** made under this section[:]

40 [(a)] [*may not be*] for a [*loan*] term that exceeds the [*usable*] **useful** life of the work or project  
41 for which the loan funds will be used or a specified number of years from completion, whichever is  
42 less.]; *and*]

43 [(b) *Are subject to subsection (8) of this section regarding repayment of loans made by the depart-*  
44 *ment.*]

45 [(6)(a)] (5)(a) Grants [*or*] **awarded and** loans made under this section are payable solely from

1 the Eastern Oregon Border Economic Development Board Fund *[established under ORS 284.801]*.  
2 Amounts paid as grants *[or]* **and** loans shall not constitute a debt of the state or a lending of the  
3 credit of the state within the meaning of any constitutional or statutory limitation.

4 (b) *[Notwithstanding paragraph (a) of this subsection,]* Nothing in this section is intended to im-  
5 pair the exercise of rights granted against the security for a loan, if any.

6 *[(7) The department shall assist the board in evaluating applications for grants or loans under this*  
7 *section by:]*

8 **(6) With respect to applications for grants to be awarded and loans to be made through**  
9 **a program operated directly by the department, the department shall assist the board in**  
10 **evaluating the applications under this section by:**

11 (a) Evaluating timelines for completion of work and projects for which grant *[or]* **and** loan  
12 moneys requested in the application will be used;

13 (b) Investigating whether necessary permits for development, if needed, have been or can be  
14 secured in a timely manner;

15 (c) Recommending how to maximize use of grant or loan moneys to ensure successful completion  
16 of the work or project for which the grant or loan moneys will be used;

17 (d) Assessing the ability of the applicant to repay the grant or loan;

18 (e) Documenting the strengths, weaknesses and risks of the applicant and **the work or** project;  
19 and

20 (f) Making recommendations regarding terms and conditions for approval of a grant or loan  
21 **application.**

22 *[(8)]* **(7)(a)** The department shall adopt rules governing **the** repayment of loans made under this  
23 section, **the repayment of grant proceeds in the event of default by the grantee under the**  
24 **grant agreement** and **the** collection of moneys owed to the Eastern Oregon Border Economic De-  
25 velopment Board Fund. **This paragraph does not apply with respect to grants awarded and**  
26 **loans made through a program operated by a third-party administrator.**

27 **(b)** The department may seek appropriate legal remedies to secure repayment of any loans made  
28 under this section *[that are due to the fund]*.

29 *[(9) The department may assess and charge fees, including, but not limited to, application fees, for*  
30 *loans or grants made under this section.]*

31 **(8) The department and a third-party administrator may assess and charge fees, includ-**  
32 **ing but not limited to application fees, for grants awarded and loans made under this section**  
33 **through programs operated by the department and the third-party administrator, respec-**  
34 **tively.**

35 **SECTION 3. This 2020 Act being necessary for the immediate preservation of the public**  
36 **peace, health and safety, an emergency is declared to exist, and this 2020 Act takes effect**  
37 **on its passage.**

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