

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
82nd Oregon Legislative Assembly
2023 Regular Session
Legislative Revenue Office

Bill Number:	SB 4 - A
Revenue Area:	State Finance
Economist:	Chris Allanach
Date:	3.20.23

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Requires the Oregon Business Development Department (OBDD) to develop program to award \$210 million in grants and loans from Oregon CHIPS Fund to applicants for Creating Helpful Incentives to Produce Semiconductors for America Act of 2022 (CHIPS Act) funds.

Revenue Impact:

The bill makes no changes to tax policy but does require program participants to generate either a minimum amount of public revenue or permanent, full-time positions. For agreements up to five years in length, every \$1 million in grants or loans received must result in at least \$1.25 million of state and local revenue; for agreements longer than five years, that amount is \$1.5 million. The bill allows the Oregon Business Development Department and the recipient business to specify what the term 'revenue' includes. In lieu of the public revenue requirement, businesses may commit to the creation of new jobs in Oregon, of which at least 65 percent are required to be permanent, full-time positions. These jobs are required to pay, on average, at least the average median income for the region in which they are located. The actual result of increased revenue or jobs is dependent on a number of factors and conditions that would unfold as projects move forward. Without knowing the particulars related to participants, projects, the amount and timing of grants and loans issued, or the mechanisms by which state or local revenue would be generated, the impact is considered indeterminate. The bill also requires any amounts remaining in the Oregon CHIPS fund on June 30, 2025 to be transferred to the Oregon Rainy Day Fund.

Creates, Extends, or Expands Tax Expenditure: Yes No