

A-Engrossed
House Bill 3410

Ordered by the House June 5
Including House Amendments dated June 5

Sponsored by Representatives RAYFIELD, GOMBERG, MARSH, OWENS, SMITH G; Representatives HOLVEY, SCHARF

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 Oregon Business Development Department to conduct study of economic development in Oregon. Directs department to submit report of study to interim committees of Legislative Assembly related to economic development no later than September 15, 2024.]

Appropriates moneys to Higher Education Coordinating Commission for distribution for purposes related to outdoor recreation economy.

Limits biennial expenditures from lottery moneys allocated from Administrative Services Economic Development Fund to Oregon Business Development Department for purpose of awarding matching grants to membership organizations and business accelerators in outdoor gear and apparel industry.

Appropriates moneys to Oregon Department of Administrative Services to provide grant to Regional Rural Revitalization Strategies Consortium to plan for and develop housing.

Limits biennial expenditures from lottery moneys allocated from Administrative Services Economic Development Fund to Oregon Business Development Department to award grants to county fair operators in response to negative impact of COVID-19 pandemic on county fair operators' earned revenue.

Limits biennial expenditures from lottery moneys allocated from Administrative Services Economic Development Fund to Oregon Business Development Department for purpose of awarding grants for formation, improvement and operation of small business development centers.

Appropriates moneys to Oregon Department of Administrative Services for distribution to Oregon Coast Visitors Association to be expended on various projects.

Appropriates moneys from General Fund to State Department of Agriculture for purpose of funding grant program related to establishments that process and sell meat products. Extends sunset of grant program.

Appropriates moneys to Higher Education Coordinating Commission to fund new program established to support strategic investments in maritime workforce development programs and activities.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to economic development; creating new provisions; amending section 3, chapter 537, Oregon
3 Laws 2021; and declaring an emergency.

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

5 **SECTION 1. There is appropriated to the Higher Education Coordinating Commission, for**
6 **the biennium beginning July 1, 2023, out of the General Fund, the amount of \$3,500,000 for**
7 **distribution in accordance with section 2 of this 2023 Act.**

8 **SECTION 2. The Higher Education Coordinating Commission shall distribute the moneys**
9 **appropriated under section 1 of this 2023 Act as follows:**

10 (1) **\$2 million to the Oregon State University Extension Service for distribution to the**
11 **Center for the Outdoor Recreation Economy to be used for the purpose of developing pro-**
12 **fessional and workforce development programs for the outdoor recreation economy in order**

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 to address critical and urgent skill gaps in specialized, technical and leadership roles.

2 (2) \$1 million to the Oregon State University Extension Service for distribution to the
3 Center for the Outdoor Recreation Economy to be used for the purpose of developing a pro-
4 gram to provide facilitation services and technical assistance grants to communities affected
5 by wildfire for community engagement in the planning and construction of outdoor recre-
6 ation facilities to support the communities' economic recovery. The center shall work with
7 the Oregon State University Extension Service in developing the program under this sub-
8 section.

9 (3)(a) \$500,000 to Oregon State University-Cascades to outfit a fabrication and maker
10 space at the university in order to support prototyping of new products by outdoor recre-
11 ation economy entrepreneurs in rural and central Oregon.

12 (b) As used in this subsection, "rural" means any area in this state that is outside:

13 (A) The acknowledged urban growth boundaries of all cities with a population greater
14 than 50,000; and

15 (B) Any urbanized area contiguous to a city described in subparagraph (A) of this para-
16 graph.

17 **SECTION 3.** Notwithstanding any other law limiting expenditures, the amount of \$500,000
18 is established for the biennium beginning July 1, 2023, as the maximum limit for payment of
19 expenses from lottery moneys allocated from the Administrative Services Economic Devel-
20 opment Fund to the Oregon Business Development Department for the purpose of awarding
21 matching grants under section 5 of this 2023 Act.

22 **SECTION 4.** As used in this section and section 5 of this 2023 Act:

23 (1) "Business accelerator" means a company:

24 (a) Operating principally in this state;

25 (b) With demonstrated success in operating educational programs in which outdoor gear
26 and apparel industry veterans mentor cohorts of founders of emerging outdoor gear and ap-
27 parel industry companies located in this state; and

28 (c) Whose purpose is to help incubate and accelerate the growth of emerging companies.

29 (2) "Membership organization" means a nonprofit organization:

30 (a) Operating principally in this state;

31 (b) Consisting of member businesses from the outdoor gear and apparel industry whose
32 principal place of business is in this state; and

33 (c) That has the purpose of growing the outdoor gear and apparel industry at the state
34 or regional level.

35 (3) "Outdoor gear and apparel industry" means all traded sector businesses that manu-
36 facture gear and apparel for use in outdoor recreation.

37 (4) "Outdoor recreation" means activities undertaken for pleasure outdoors in natural
38 environments.

39 (5) "Traded sector" has the meaning given that term in ORS 285B.280.

40 **SECTION 5.** (1)(a) The Oregon Business Development Department shall use the expendi-
41 ture authority under section 3 of this 2023 Act to award matching grants to membership
42 organizations and business accelerators in accordance with this section.

43 (b) Matching grants awarded under this section must be used by the receiving member-
44 ship organizations and business accelerators for the purposes of capacity building and tech-
45 nical assistance in the outdoor gear and apparel industry.

1 (2)(a) The department shall provide public notice whenever there are funds available for
2 matching grants under this section.

3 (b) The notice must include information about the requirements for eligibility and the
4 application process for the matching grants.

5 (3)(a) A membership organization or business accelerator seeking a matching grant un-
6 der this section must file with the department an application in accordance with rules
7 adopted by the department pursuant to paragraph (c) of this subsection. The information
8 included with the application must demonstrate that the applicant is a membership organ-
9 ization or business accelerator.

10 (b) The department may charge an application fee in an amount that does not exceed the
11 actual costs incurred by the department in processing applications filed pursuant to this
12 section.

13 (c) The department shall adopt rules that establish the application process for matching
14 grants awarded under this section.

15 (4) The department may not pay the amount of a matching grant to a membership or-
16 ganization or business accelerator unless the recipient has entered into a grant agreement
17 with the department that establishes the deliverables required from, and other goals to be
18 met by, the recipient.

19 **SECTION 6.** No later than September 15, 2024, the Oregon Business Development De-
20 partment shall submit, in the manner provided in ORS 192.245, a report that sets forth the
21 investments made pursuant to section 5 of this 2023 Act to the interim committees of the
22 Legislative Assembly related to economic development.

23 **SECTION 7.** Sections 4 and 5 of this 2023 Act are repealed on January 2, 2026.

24 **SECTION 8.** In addition to and not in lieu of any other appropriation, there is appropri-
25 ated to the Oregon Department of Administrative Services, for the biennium beginning July
26 1, 2023, out of the General Fund, the amount of \$10,000,000, to provide a grant to the Regional
27 Rural Revitalization Strategies Consortium, established as an intergovernmental agreement
28 under ORS 190.003 to 190.130, to provide planning, infrastructure, capital equipment and
29 predevelopment costs for housing, to award grants and loans to capacity builders and devel-
30 opers of housing and to enter into public-private partnerships for the development of hous-
31 ing. Housing supported with moneys appropriated under this section may be located in any
32 area of this state, except for within the urban growth boundary of a city with a population
33 greater than 50,000.

34 **SECTION 9.** Notwithstanding any other law limiting expenditures, the amount of
35 \$3,000,000 is established for the biennium beginning July 1, 2023, as the maximum limit for
36 payment of expenses from lottery moneys allocated from the Administrative Services Eco-
37 nomic Development Fund to the Oregon Business Development Department for the purpose
38 of awarding grants under section 10 of this 2023 Act.

39 **SECTION 10.** (1) As used in this section:

40 (a) “County fair” and “county fairgrounds” have the meanings given those terms in ORS
41 565.010.

42 (b) “County fair operator” means a county fair board, fair association or fair district that
43 operates a county fair.

44 (c)(A) “Earned revenue” means revenue from the sale of goods or services, including, but
45 not limited to, admission tickets, charges for services, rentals, permits and fees, merchan-

1 **dise, food and beverages, advertising and contracted services and performances.**

2 **(B) "Earned revenue" does not include other sources of revenue, including, but not limited to, donations, federal, state and local governmental grants or returns on investments.**

3 **(d) "Fair association" has the meaning given that term in ORS 565.268.**

4 **(e) "Fair district" means an entity described in ORS 565.275.**

5 **(2) The Oregon Business Development Department shall develop and implement a program for awarding grants directly to county fair operators for the operation of county fairs and the maintenance and repair of county fairgrounds.**

6 **(3) To be eligible for a grant, a county fair operator must demonstrate to the department's satisfaction that, at any time after February 29, 2020, and before June 30, 2023, the operator experienced a significant loss in earned revenue from the operation of a county fair or county fairgrounds because of statewide mandates, or guidance of the Oregon Health Authority, in response to the COVID-19 pandemic.**

7 **(4)(a) The department shall prescribe the form and process, including the application period, by which county fair operators may apply for and be awarded grants under the program.**

8 **(b) Applications must, at a minimum, require applicants to state their lost earned revenue as described in subsection (3) of this section.**

9 **(c) For purposes of reviewing applications, the department may require applicants to provide:**

10 **(A) The applicant's federal tax return for the periods to which the application relates; and**

11 **(B) Financial documentation, including, but not limited to, audited financial statements or financial statements that have been approved by a certified public accountant.**

12 **(5) Before awarding grants, the department may withhold an amount not to exceed five percent of the total amount allocated under section 9 of this 2023 Act to reimburse the department for the actual costs of developing and implementing the program.**

13 **(6) The department shall award grants to reimburse county fair operators for lost earned revenue supported by their applications as follows:**

14 **(a) If the total of all grant award amounts exceeds \$3 million, less any amount withheld under subsection (5) of this section, the amounts shall be reduced proportionally until they equal \$3 million, less any amount withheld under subsection (5) of this section; or**

15 **(b) If the total of all grant award amounts is less than \$3 million, less any amount withheld under subsection (5) of this section, the amounts shall be increased proportionally until they equal \$3 million, less any amount withheld under subsection (5) of this section.**

16 **SECTION 11. Notwithstanding any other law limiting expenditures, the amount of \$3,000,000 is established for the biennium beginning July 1, 2023, as the maximum limit for payment of expenses from lottery moneys allocated from the Administrative Services Economic Development Fund to the Oregon Business Development Department for the purposes of ORS 285B.165 to 285B.171.**

17 **SECTION 12. In addition to and not in lieu of any other appropriation, there is appropriated to the Oregon Department of Administrative Services, for the biennium beginning July 1, 2023, out of the General Fund, the amount of \$1,190,000, for distribution to the Oregon Coast Visitors Association to be expended in accordance with section 13 of this 2023 Act.**

18 **SECTION 13. Moneys distributed to the Oregon Coast Visitors Association by the Oregon**

1 Department of Administrative Services under section 12 of this 2023 Act shall be expended
2 in the following amounts for the following purposes:

3 (1) \$190,000 to develop a geographic information systems tool for food systems with blue
4 economy layers. The tool shall be developed to connect food producers and food technology
5 businesses to suitable sites for start-up or expansion with the goal of capturing more value
6 from Oregon's natural resources and agricultural and seafood industries.

7 (2) \$700,000 to fill gaps in regional food system aggregation and production infrastructure
8 and leverage existing regional food system coordination capacity in such a way as to imme-
9 diately benefit Oregon businesses. Improvements funded under this subsection shall be:

10 (a) The development of coastal ports mariculture and a coculture facility in partnership
11 with the Oregon Kelp Alliance;

12 (b) The installation of a shared-use certified commercial kitchen, processing center and
13 cold storage; and

14 (c) The development of a mobile processing unit to be shared across multiple port dis-
15 tricts that will support multiple seafood producers.

16 (3) \$300,000 to support existing businesses connected to the projects funded under sub-
17 sections (1) and (2) of this section and those businesses identified in a technical assistance
18 survey for rural seafood businesses that is currently being conducted and coproduced by the
19 Oregon Coast Visitors Association, the Oregon State University Food Innovation Center and
20 the Oregon State University Seafood Research and Education Center, each of which will ad-
21 minister the technical assistance provided under this subsection.

22 **SECTION 14.** In addition to and not in lieu of any other appropriation, there is approp-
23 riated to the State Department of Agriculture, for the biennium beginning July 1, 2023, out
24 of the General Fund, the amount of \$9,000,000, for the purpose of funding the grant program
25 related to establishments that process and sell meat products, as described in section 1,
26 chapter 537, Oregon Laws 2021.

27 **SECTION 15.** Section 3, chapter 537, Oregon Laws 2021, is amended to read:

28 **Sec. 3.** Section 1 [*of this 2021 Act*], chapter 537, Oregon Laws 2021, is repealed on June 30,
29 [2023] 2025.

30 **SECTION 16.** Section 17 of this 2023 Act is added to and made a part of ORS 660.300 to
31 660.364.

32 **SECTION 17.** (1) There is established a program in the Higher Education Coordinating
33 Commission to support strategic investments in workforce development programs and ac-
34 tivities in Oregon's maritime sector, in coordination with:

35 (a) Local workforce development boards in regions with a high demand for maritime
36 workers;

37 (b) Community colleges operated under ORS chapter 341; and

38 (c) Other workforce partners that support maritime workforce development, including
39 but not limited to school districts and regional networks that support science, technology,
40 engineering and mathematics.

41 (2) At a minimum, the program shall:

42 (a) Make targeted investments in workforce development programs designed to advance
43 the growth, qualifications and availability of Oregon's maritime workforce.

44 (b) Identify and develop specific sectors within the maritime workforce to initiate new
45 workforce education and job skills programs and to increase participation in existing mari-

1 **time programs.**

2 (c) **Promote growth and development of maritime workforce development programs in**
3 **school districts and community colleges by hiring faculty and staff with maritime expertise**
4 **to assist with curriculum selection for educational programs and the development of such**
5 **programs to prepare individuals for careers in the maritime sector.**

6 (d) **Foster industry involvement in apprenticeship programs, mentorship and other pro-**
7 **grams that provide training for entry into the maritime workforce.**

8 (e) **Support activities that prepare individuals for careers in the maritime sector, in-**
9 **cluding but not limited to educating, training and mentoring activities related to maritime**
10 **construction and engineering and mariner training.**

11 (f) **Conduct outreach and promote awareness about opportunities to receive maritime**
12 **training and education.**

13 (3) **The commission may adopt any rules necessary for the implementation and adminis-**
14 **tration of this section.**

15 **SECTION 18. In addition to and not in lieu of any other appropriation, there is appro-**
16 **propriated to the Higher Education Coordinating Commission, for the biennium beginning July**
17 **1, 2023, out of the General Fund, the amount of \$2,000,000, for carrying out the provisions**
18 **of section 17 of this 2023 Act.**

19 **SECTION 19. This 2023 Act being necessary for the immediate preservation of the public**
20 **peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect**
21 **on its passage.**

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