

HB 4041 -1, -4 STAFF MEASURE SUMMARY

House Committee On Economic Development and Small Business

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/8

WHAT THE MEASURE DOES:

The measure appropriates \$30,000,000 to the Oregon Business Development Department (OBDD) from the General Fund for deposit into the Economic Equity Investment Fund. The measure adds enrollment as a member of a state or federally recognized Indian tribe or descent from a parent or grandparent who is or was enrolled as an economic equity risk factor used in the Economic Equity Investment Program under ORS 285B.761.

Organizations awarded money by the grant program may allocate that money to any entity lawfully organized and operating under state law. OBDD is authorized to adopt rules for the grant program and required to consult with persons and communities likely to be affected by the grant program during any rule making process. The measure declares an emergency and takes effect on passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 The amendment completely replaces the measure. The amendment appropriates \$30,000,000 to the Oregon Business Development Department (OBDD) from the General Fund for deposit into the Economic Advancement Fund. The amendment repeals the definitions for "Culturally responsive services" and "Economic equity risk factor" for the Economic Equity Investment Program. It directs the OBDD to develop and implement an Economic Advancement Program (Program). the program is required to evaluate proposals based on the economic status of individuals, families, businesses or communities measured by ownership of land, entrepreneurship, business development, and intergenerational wealth building. Grants under the program may not be awarded to organizations that restricts its services to individuals, families, businesses or communities on the basis of race or ethnicity other than enrolment as a member of a state or federally recognized Indian tribe. The amendment declares an emergency and takes effect on passage.

-4 The amendment removes the provision "experience of discrimination because of race or ethnicity" as an economic risk factor and replaces "citizenship status" with "employment as a farm worker" as an economic risk factor. Reduces the requirement for grant applicants to demonstrate their future is at risk with two or more risk factors for qualification for the grant program to one or more risk factors.

BACKGROUND:

During the 2022 regular session Senate Bill 1579 established the Economic Equity Investment Fund (Fund) and required the Oregon Business Development Department to develop and implement the Economic Equity Investment Program. Senate Bill 1579 appropriated \$15,000,000 to the fund for the biennium ending June 30, 2023.