



Legislative Fiscal Office
 82nd Oregon Legislative Assembly
 2024 Regular Session

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 Date: February 15, 2024

Bill Title: Relating to economic development; prescribing an effective date.

Government Unit(s) Affected: Oregon Business Development Department

Summary of Fiscal Impact

| 2023-25 Biennium | General Fund | Lottery Funds | Other Funds | Federal Funds | Total Funds | Positions | FTE |
|--|----------------------|---------------|-------------|---------------|----------------------|-----------|-------------|
| Oregon Business Development Department | \$ 40,000,000 | \$ - | \$ - | \$ - | \$ 40,000,000 | 1 | 0.50 |
| Total Fiscal Impact | \$ 40,000,000 | \$ - | \$ - | \$ - | \$ 40,000,000 | 1 | 0.50 |

| 2025-27 Biennium | General Fund | Lottery Funds | Other Funds | Federal Funds | Total Funds | Positions | FTE |
|--|--------------|---------------|-------------|---------------|-------------|-----------|-------------|
| Oregon Business Development Department | \$ - | \$ - | \$ - | \$ - | \$ - | 1 | 1.00 |
| Total Fiscal Impact | \$ - | \$ - | \$ - | \$ - | \$ - | 1 | 1.00 |

- The fiscal impact does not include duplicative Other Funds expenditure limitation necessary to expend the General Fund appropriation in the measure that will be deposited into the Industrial Site Loan Fund. An increased expenditure limitation will need to be established to properly budget for the impact of the measure if it is adopted.

Measure Description

HB 4042 - A directs the Oregon Business Development - Department (OBDD) to undertake various efforts to promote the use of industrial land in Oregon. The measure establishes the Industrial Site Loan Fund, which is continuously appropriated to OBDD to carry out provisions of this measure, including administrative costs. The measure appropriates \$40,000,000 General Fund to OBDD in the 2023-25 biennium for deposit into the Industrial Site Loan Fund. OBDD may provide financial assistance to project sponsors for certain allowable costs of industrial land development from monies in the Industrial Site Loan Fund.

Fiscal Analysis

The measure has a fiscal impact on OBDD of \$40,000,000 General Fund in the 2023-25 biennium and an estimated \$446,128 Other Funds in the 2025-27 biennium. The measure creates a new fund—the Industrial Site Loan Fund—and a new program for awarding financial assistance from the Fund.

OBDD anticipates awarding an estimated 40 contracts for financial assistance. Since the scope of activities described in the measure represents a new program, OBDD will need one permanent, full-time Operations and Policy Analyst 4 (0.50 FTE in 2023-25) to review applications, make financial assistance determinations, award contracts, and manage the Industrial Site Loan Fund. In addition, OBDD will incur additional services and supplies costs to support contract preparation, legal costs for contract review, and program promotional costs. The estimated cost of the position and the additional services and supplies is \$258,915 Other Funds in the 2023-

25 biennium and \$446,128 Other Funds in the 2025-27 biennium. These costs will be covered by the General Fund appropriation deposited into the Industrial Site Loan Fund.

Since OBDD is to award contracts for financial assistance from the Industrial Site Loan Fund, OBDD will need an increase in expenditure limitation of \$39,553,872 Other Funds in the 2023-25 biennium to award the contracts and cover its administrative expenses.

Relevant Dates

The measure takes effect 91 days after adjournment sine die.

Sections 15 and 16 of the measure apply to property tax years beginning on or after July 1, 2025.