

Requested by Representative PHAM H

**PROPOSED AMENDMENTS TO
HOUSE BILL 4154**

1 On page 1 of the printed bill, line 2, after “semiconductors;” insert “cre-
2 ating new provisions; amending sections 1 and 6, chapter 25, Oregon Laws
3 2023;”.

4 On page 5, after line 18, insert:

5 **“SECTION 12.** Section 1, chapter 25, Oregon Laws 2023, is amended to
6 read:

7 **“Sec. 1.** (1) As used in sections 1 to 6, **chapter 25, Oregon Laws 2023**
8 *[of this 2023 Act]*:

9 “(a) ‘Covered entity’ has the meaning given that term by 15 U.S.C. 4651(2).

10 “(b) ‘Covered incentive’ has the meaning given that term by 15 U.S.C.
11 4651(3).

12 “(c) ‘Federal semiconductor financial assistance’ means assistance avail-
13 able under the program established pursuant to 15 U.S.C. 4652(a)(1) **or 15**
14 **U.S.C. 4656(c)** for financial assistance to the semiconductor industry.

15 “(d) ‘Program grants and loans’ means grants awarded and loans made
16 under the program developed by the Oregon Business Development Depart-
17 ment pursuant to this section.

18 “(2)(a) The Oregon Business Development Department shall develop a
19 program to award grants and make loans from moneys in the Oregon CHIPS
20 Fund established under section 6, **chapter 25, Oregon Laws 2023**, *[of this*
21 *2023 Act]* to businesses applying for federal semiconductor financial assist-

1 ance.

2 “(b)(A) The program shall be administered by the department and the
3 Governor as set forth in this section.

4 “(B) Notwithstanding the duties and powers conferred respectively on the
5 department and the Governor under sections 1 to 6, **chapter 25, Oregon**
6 **Laws 2023** [*of this 2023 Act*], the department and the Governor may consult
7 each other with respect to any duty or power so conferred.

8 “(c) It is the intent of the Legislative Assembly that program grants and
9 loans be treated by the United States Secretary of Commerce as covered in-
10 centives for purposes of the federal semiconductor financial assistance pro-
11 gram.

12 “(3)(a) Program grant and loan proceeds may be used solely for:

13 “(A) If a business’s application for federal semiconductor financial as-
14 sistance is approved, activities undertaken in connection with the federal
15 semiconductor financial assistance program; and

16 “(B) Regardless of whether a business’s application for federal semicon-
17 ductor financial assistance is approved:

18 “(i) The development of a site for a semiconductor or other advanced
19 manufacturing facility, including, but not limited to, the acquisition and
20 aggregation of land;

21 “(ii) Research and development with respect to semiconductors or ad-
22 vanced manufacturing; or

23 “(iii) Partnering with institutions of higher education, including, but not
24 limited to, historically Black colleges and universities, career technical
25 training institutions, regional collaborative groups, local workforce develop-
26 ment boards as defined in ORS 660.300, programs funded through the federal
27 Workforce Innovation and Opportunity Act (P.L. 113-128) and apprenticeship
28 programs registered with the State Apprenticeship and Training Council for
29 the purpose of workforce development and the creation of training, registered
30 apprenticeship and internship opportunities, with respect to semiconductors

1 or advanced manufacturing.

2 “(b) Contractors and subcontractors on construction projects funded by
3 program grant or loan proceeds must pay for such projects a rate of wage
4 that meets or exceeds the greater of:

5 “(A) The prevailing rate of wage for workers in each trade or occupation
6 in each locality as determined by the Commissioner of the Bureau of Labor
7 and Industries under ORS 279C.815; or

8 “(B) The prevailing rate of wage as determined by the United States
9 Secretary of Labor under the Davis-Bacon Act (40 U.S.C. 3141 et seq.).

10 “(4)(a) A business that is a covered entity may apply to the department
11 under section 2, **chapter 25, Oregon Laws 2023**, [*of this 2023 Act*] for a
12 program grant or loan.

13 “(b)(A) Except as provided in subparagraph (B) of this paragraph, program
14 grants and loans may not be awarded or made to any applicant in an amount
15 greater than \$50 million.

16 “(B) The Governor may approve a program grant or loan under section
17 **3, chapter 25, Oregon Laws 2023**, [*of this 2023 Act*] in an amount greater
18 than \$50 million only after having given the Legislative Assembly at least
19 30 calendar days’ notice of the amount of the program grant or loan the
20 Governor intends to approve.

21 “(c)(A) Program loans:

22 “(i) May be made for a term not to exceed 10 years, as negotiated by the
23 business and, in consultation with the Governor, the department; and

24 “(ii) Except as provided in section 5 (3), **chapter 25, Oregon Laws 2023**
25 [*of this 2023 Act*], shall be made at a zero rate of interest.

26 “(B) All amounts received by the department in repayment of a program
27 loan shall be transferred to the Oregon CHIPS Fund established under sec-
28 tion 6, **chapter 25, Oregon Laws 2023** [*of this 2023 Act*].

29 “(d) Proceeds from a program grant or loan may be distributed in a single
30 payment or in multiple, conditional payments, as specified in the program

1 grant or loan agreement.

2 “(e)(A) Except as provided in paragraph (f) of this subsection, for every
3 \$1 million in program grant or loan proceeds received, the recipient business
4 must, over the period of the grant or loan agreement, generate at least:

5 “(i) If the term of the agreement is not more than five years, \$1.25 million
6 in state and local revenue; or

7 “(ii) If the term of the agreement is more than five years, \$1.5 million in
8 state and local revenue.

9 “(B) The department and the recipient business may specify in the pro-
10 gram grant or loan agreement what the term ‘revenue’ includes.

11 “(f) In lieu of the requirement under paragraph (e) of this subsection, a
12 recipient business may instead commit to the creation of new jobs in Oregon:

13 “(A) At least 65 percent of which are permanent, full-time positions; and

14 “(B) That pay on average at least the average median income for the re-
15 gion of this state in which the services will be performed.

16 “(g)(A) In addition to program grants and loans, an application assistance
17 grant, in an amount not to exceed \$50,000, may be awarded to a business
18 whose application is approved under section 3, **chapter 25, Oregon Laws**
19 **2023** [*of this 2023 Act*], for the costs of preparing and submitting the
20 business’s application for federal semiconductor financial assistance.

21 “(B) Application assistance grants may be made from moneys in the fund
22 or from any other source of funding available for such purpose to the de-
23 partment or the Governor.

24 “**(5) Program grants receiving federal semiconductor financial as-**
25 **sistance under 15 U.S.C. 4656(c) are exempt from:**

26 “**(a) Subsection (4)(e) and (f) of this section;**

27 “**(b) Section 2 (1)(b)(G), chapter 25, Oregon Laws 2023; and**

28 “**(c) Section 5 (1)(a)(C), chapter 25, Oregon Laws 2023.**

29 “**SECTION 13.** Section 6, chapter 25, Oregon Laws 2023, is amended to
30 read:

1 **“Sec. 6.** (1) The Oregon CHIPS Fund is established in the State Treasury,
2 separate and distinct from the General Fund. Interest earned by the Oregon
3 CHIPS Fund shall be credited to the fund.

4 “(2) Moneys in the fund shall consist of:

5 “(a) Amounts appropriated or otherwise transferred or credited to the
6 fund by the Legislative Assembly;

7 “(b) Earnings received on moneys in the fund; and

8 “(c) Other moneys, or proceeds of property, from any public or private
9 source that are transferred, donated or otherwise credited to the fund.

10 “(3) Moneys in the Oregon CHIPS Fund are continuously appropriated to
11 the Oregon Business Development Department for the following purposes:

12 “(a) Paying the actual costs incurred by the department in developing and
13 administering sections 1 to 6, **chapter 25, Oregon Laws 2023** [*of this 2023*
14 *Act*]; [*and*]

15 “(b) Carrying out the provisions of sections 1 to 6, **chapter 25, Oregon**
16 **Laws 2023** [*of this 2023 Act*]; **and**

17 **“(c) Transferring moneys to the Semiconductor Talent Sustaining**
18 **Fund established under section 2 of this 2024 Act.**

19 “(4) Moneys in the Oregon CHIPS Fund on June 30, 2023, shall be re-
20 tained in the fund, and used for the purposes set forth in subsection (3) of
21 this section, until June 30, 2025.

22 “(5) Any moneys remaining in the Oregon CHIPS Fund on June 30, 2025,
23 shall be transferred to the General Fund.”.

24 In line 19, delete “12” and insert “14”.

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