

Requested by Representative PHAM H

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 4154**

1 On page 2 of the printed A-engrossed bill, delete lines 20 through 45 and
2 delete pages 3 through 7 and insert:

3 **“SECTION 1. (1) The Higher Education Coordinating Commission**
4 **shall allocate moneys from the Semiconductor Talent Sustaining Fund**
5 **established in section 2 of this 2024 Act to provide education, training**
6 **and research to assist the semiconductor industry in:**

7 **“(a) Propelling industry innovation and productivity; and**

8 **“(b) Providing careers to residents of this state who receive tech-**
9 **nical certificates, credentials, technical degrees, associate degrees,**
10 **bachelor’s degrees and graduate-level degrees in fields related to**
11 **semiconductors.**

12 **“(2) When making allocations under this section, the commission**
13 **shall consider allocations that:**

14 **“(a) Address the most-demonstrated pressing and long-term needs**
15 **of the semiconductor industry;**

16 **“(b) Advance a more diverse workforce, with a focus on increasing**
17 **career opportunities for historically underrepresented youth and**
18 **adults;**

19 **“(c) Utilize the information compiled in and recommendations made**
20 **by the final report of the Semiconductor Workforce and Talent As-**
21 **essment (January, 2024) that was prepared for the commission;**

1 “(d) Facilitate or advance workforce opportunities created by fed-
2 eral or state semiconductor financial assistance investments;

3 “(e) Create new economic growth and pathways to economic op-
4 portunity across this state; and

5 “(f) Consider the priorities of industry consortia established under
6 section 10, chapter 28, Oregon Laws 2022, that represent manufacturing
7 and technology sectors.

8 “SECTION 2. (1) The Semiconductor Talent Sustaining Fund is es-
9 tablished in the State Treasury, separate and distinct from the General
10 Fund. Interest earned by the Semiconductor Talent Sustaining Fund
11 shall be credited to the fund.

12 “(2) Moneys in the Semiconductor Talent Sustaining Fund shall
13 consist of:

14 “(a) Amounts donated to the fund from individuals, private organ-
15 izations and state or federal governmental entities;

16 “(b) Amounts appropriated or otherwise transferred to the fund by
17 the Legislative Assembly; and

18 “(c) Interest earned by the fund.

19 “(3) Moneys in the fund are continuously appropriated to the Higher
20 Education Coordinating Commission for the purposes of supporting
21 the semiconductor industry in the manner described in section 1 of
22 this 2024 Act.

23 “SECTION 3. Sections 1 and 2 of this 2024 Act are repealed on Jan-
24 uary 2, 2030.

25 “SECTION 4. The Semiconductor Talent Sustaining Fund estab-
26 lished under section 2 of this 2024 Act is abolished. Any moneys re-
27 maining in the fund on the operative date specified in section 5 of this
28 2024 Act shall be transferred to the General Fund for general govern-
29 ment purposes.

30 “SECTION 5. Section 4 of this 2024 Act becomes operative on Jan-

1 **uary 2, 2030.**

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

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

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

7 “(b) ‘Covered incentive’ has the meaning given that term by 15 U.S.C.
8 4651(3).

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

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

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

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

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

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

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

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

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

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

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

11 “(iii) Partnering with institutions of higher education, including, but not
12 limited to, historically Black colleges and universities, career technical
13 training institutions, regional collaborative groups, local workforce develop-
14 ment boards as defined in ORS 660.300, programs funded through the federal
15 Workforce Innovation and Opportunity Act (P.L. 113-128) and apprenticeship
16 programs registered with the State Apprenticeship and Training Council for
17 the purpose of workforce development and the creation of training, registered
18 apprenticeship and internship opportunities, with respect to semiconductors
19 or advanced manufacturing.

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

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

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

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

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

4 “(B) The Governor may approve a program grant or loan under section
5 **3, chapter 25, Oregon Laws 2023**, [*of this 2023 Act*] in an amount greater
6 than \$50 million only after having given the Legislative Assembly at least
7 30 calendar days’ notice of the amount of the program grant or loan the
8 Governor intends to approve.

9 “(c)(A) Program loans:

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

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

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

17 “(d) Proceeds from a program grant or loan may be distributed in a single
18 payment or in multiple, conditional payments, as specified in the program
19 grant or loan agreement.

20 “(e)(A) Except as provided in paragraph (f) of this subsection, for every
21 \$1 million in program grant or loan proceeds received, the recipient business
22 must, over the period of the grant or loan agreement, generate at least:

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

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

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

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

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

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

4 “(g)(A) In addition to program grants and loans, an application assistance
5 grant, in an amount not to exceed \$50,000, may be awarded to a business
6 whose application is approved under section 3, **chapter 25, Oregon Laws**
7 **2023** [of this 2023 Act], for the costs of preparing and submitting the
8 business’s application for federal semiconductor financial assistance.

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

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

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

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

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

17 “**SECTION 7.** Section 6, chapter 25, Oregon Laws 2023, is amended to
18 read:

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

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

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

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

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

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

30 “(a) Paying the actual costs incurred by the department in developing and

1 administering sections 1 to 6, **chapter 25, Oregon Laws 2023** [*of this 2023*
2 *Act*]; [*and*]

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

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

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

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

12 **“SECTION 8. This 2024 Act takes effect on the 91st day after the**
13 **date on which the 2024 regular session of the Eighty-second Legislative**
14 **Assembly adjourns sine die.”**

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