

## HB 2348 STAFF MEASURE SUMMARY

### House Committee On Economic Development, Small Business, and Trade

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**Meeting Dates:** 1/29

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#### WHAT THE MEASURE DOES:

The measure makes administrative changes to various economic development program statutes at Oregon Business Development Department (OBDD)

#### Detailed Summary

- **Section 1:** Updates requirements for the Oregon Growth Board. Clarifies the definition of a quorum required for the transaction of business.
- **Section 2:** Clarifies the departments responsible for enforcement of deed restrictions. Applies to calendar years beginning on or after January 1, 2021.
- **Section 3:** Removes requirements and clarify definitions. Applies to calendar years beginning on or after January 1, 2021
- **Section 4:** Updates language for uses of the Oregon Port Revolving Fund to include dredging.
- **Section 5:** Allows money from repayments in the Oregon Port Revolving Fund to be transferred to the Port Planning and Marketing Fund.
- **Section 6:** Removes the requirement that grants from the Water Fund for third party technical assistance must include asset management components.
- **Section 7:** Adjusts the definition of eligible applicants relating to early childcare infrastructure program grants and loans.

Takes effect on the 91st day following adjournment sine die.

Fiscal impact: (info)

Revenue impact: (info)

#### ISSUES DISCUSSED:

#### EFFECT OF AMENDMENT:

No amendment.

#### BACKGROUND:

House Bill 2348 would make multiple technical changes to statutes administered by the Oregon Business Development Department (OBDD).

- **Section 1:** ORS 284.883 includes requirements for the Oregon Growth Board. The measure updates the process for appointing members. It requires the Governor to appoint two members who do not belong to the same political party. Under current law, this process requires selection from a list of four recommended candidates. HB 2348 updates this to require that President of the Senate recommends one member, and the Speaker of the House of Representatives recommends the other. The measure also amends the definition of a quorum required for the transaction of business. HB 2348 adds language stating that a quorum is constituted by a majority of members at the time of the meeting and excluding vacancies or unfilled positions.
- **Section 2:** ORS 285A.194 governs how OBDD establishes and administers loans to private owners and operators for the removal and remediation of brownfields. It allows for additional loans for brownfields in locations with certain land uses. HB 2348 clarifies which departments are responsible for the enforcement of

deed restrictions for these land uses. For the requirement that housing will be constructed or redeveloped on the land, it adds language that this use is ensured by a deed restriction, when applicable, by the Department of Housing and Community Services. For land that will be permanently dedicated as a natural area or public park, it adds language that this use must be ensured by OBDD.

- **Section 3:** ORS 285A.196 outlines requirements for OBDD to forgive loans made under ORS 285A.195. HB 2348 removes the requirement that the applicant record a deed restriction if they received an additional forgivable loan. The measure also provides clarification on determining the interest rate at which a loan must be repaid if it is not forgiven. Under current law, the interest rate is set at the current primary credit rate of the discount window program of the Federal Reserve, plus three percent per year. The measure changes the interest rate to be the prevailing bank prime loan rate in the most recent H.15 (519), which is a report published by the Federal Reserve.
- **Section 4:** ORS 285A.681 allows the Oregon Infrastructure Finance Authority to enter loan contracts with project applicants. The measure updates language relating to uses of the Oregon Port Revolving Fund. Under current law, the fund may only be used to assist with capital improvement projects. The measure would also allow eligible ports to receive grants from the fund to assist with dredging.
- **Section 5:** ORS 285A.709 states that available money from net earned income in the Oregon Port Revolving Fund may be transferred to the Port Planning and Marketing Fund. The measure adds language stating that money from repayments may also be transferred.
- **Section 6:** ORS 285B.563 establishes the Water Fund. This fund is primarily used by the Oregon Infrastructure Finance Authority to make loans to municipalities for water projects. One of the purposes that grants in the fund may be used for is third party technical assistance to communities to help with the development of water systems. HB 2348 removes requirement that these grants for third party technical assistance must include asset management components.
- **Section 7:** ORS 329A.725 directs OBDD to administer a grant and loan program to provide financial assistance to eligible applicants for allowable costs expended for early childcare infrastructure activities. The measure removes the requirement that federally recognized tribes also be preschool providers participating in the Preschool Promise Program.

The measure makes administrative changes to various economic development program statutes at Oregon Business Development Department (OBDD)