

HB 2277 -1 STAFF MEASURE SUMMARY

House Committee On Economic Development, Small Business, and Trade

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Meeting Dates: 3/19

WHAT THE MEASURE DOES:

The measure directs Oregon Business Development Department (OBDD) to conduct a study on the semiconductor industry in Oregon and send a report to the Legislative Assembly.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 The amendment replaces the measure. It changes the allowable use of money in the Oregon CHIPS Fund, removes a requirement reverting funding to the General Fund, and sets a limit on payment of expenses from the fund. It declares an emergency and is effective on passage.

Detailed Summary:

Allows Oregon Business Development Department (OBDD) and the Governor to award grants and make loans from the Oregon CHIPS Fund to businesses that have not applied for federal semiconductor financial assistance, but that meet the definition of a covered entity. Removes the requirement that money in the Oregon CHIPS Fund is returned to the General Fund on June 30, 2025. Sets a limit of \$40,000,000 for the payment of expenses from the Oregon CHIPS Fund for the biennium ending on June 30, 2027. Declares an emergency, effective on passage.

BACKGROUND:

Senate Bill 4 (2023) directed Oregon Business Development Department (OBDD) to award grants and make loans from the Oregon Creating Helpful Incentives to Produce Semiconductors (CHIPS) fund to businesses applying for federal semiconductor financial assistance. Small businesses in the semiconductor industry in Oregon who were not eligible for federal semiconductor financial assistance were also not able to access Oregon CHIPS funding. Senate Bill 4 also required that any money remaining in the Oregon CHIPS Fund is transferred to the General Fund on June 30, 2025.

House Bill 2277 directs Oregon Business Development Department (OBDD) to conduct a study on the semiconductor industry in the state. The -1 amendment allows businesses that have not applied for federal semiconductor financial assistance, but that meet the definition of a covered entity, to receive Oregon CHIPS funding. It also removes the requirement that money in the Oregon CHIPS Fund is returned to the General Fund on June 30, 2025.