

HB 2322 -1 STAFF MEASURE SUMMARY

House Committee On Economic Development, Small Business, and Trade

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Meeting Dates: 3/19, 4/7

WHAT THE MEASURE DOES:

The measure directs the Oregon Business Development Department (OBDD) to study economic development in the state and to submit a report.

ISSUES DISCUSSED:

- Eligibility requirements for Oregon CHIPS Fund
- Semiconductor industry trends

EFFECT OF AMENDMENT:

-1 The amendment replaces the measure. It allows the use of Oregon CHIPS funding for the state's targeted industries and sets a limit of \$25,000,000 on payment of expenses from the fund. It declares an emergency and is effective on passage.

Detailed Summary:

Allows Oregon Business Development Department (OBDD) to award grants and loans from the Oregon Fostering Innovation Strength at Home (FISH) and Creating Helpful Incentives to Produce Semiconductors (CHIPS) Fund to businesses that have not applied for federal semiconductor assistance but that meet the definition of a covered entity.

Defines covered entities as having demonstrated ability to substantially finance, construct, expand, or modernize a facility relating to fabrication, assembly, testing, advanced packaging, production or research and development, or manufacturing equipment for targeted industries.

Defines targeted industries as those identified by OBDD as providing the state with the best opportunities for growth, innovation, high wages, competitiveness, and statewide prosperity. They include metals and machinery, business services, food and beverages, forestry and wood products, high technology, outdoor gear and apparel, and bioscience.

Sets a limit of \$25,000,000 for the payment of expenses from the Oregon FISH and CHIPS Fund for the biennium beginning on July 1, 2025.

Updates references.

Declares an emergency, effective on passage.

- *FISCAL: Fiscal impact issued*
- *REVENUE: No revenue impact*

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. It also required that any money remaining in the Oregon CHIPS Fund is

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transferred to the General Fund on June 30, 2025. Oregon Business Development Department (OBDD) identifies Oregon's [targeted industries](#) as those providing the best opportunities for growth, innovation, high wages, competitiveness, and statewide prosperity and they direct efforts and resources at these industries to retain and expand businesses and investment into the state. House Bill 2322 directs the Oregon Business Development Department (OBDD) to study economic development. The -1 amendment allows the use of Oregon CHIPS funding for the state's targeted industries and sets a limit of \$25,000,000 on payment of expenses from the fund.