

## **HB 2348 -1 STAFF MEASURE SUMMARY**

### **Senate Committee On Labor and Business**

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**Meeting Dates:** 4/24, 5/6

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#### **WHAT THE MEASURE DOES:**

The measure makes administrative changes to various economic development program statutes administered by the Oregon Business Development Department (OBDD).

#### Detailed Summary

##### **Section 1**

Updates membership on the Oregon Growth Board. Clarifies the definition of a quorum required for the transaction of business.

##### **Section 2**

Adjusts when a forgivable loan enhancement may be made for the purpose of reimbursing private owners or operators for eligible costs incurred in the completion of removal or remedial actions at brownfields.

##### **Section 3**

Clarifies when OBDD shall forgive a loan made to an owner or operator of a brownfield. Specifies the interest rate for repayment of a loan when it is not forgiven. Defines "most recent H.15 (519)."

##### **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 applicant" relating to early childcare infrastructure program grants and loans.

##### **Section 8**

Sections 2 and 3 apply to calendar years beginning on or after January 1, 2021.

REVENUE: No revenue impact

FISCAL: No fiscal impact

#### **ISSUES DISCUSSED:**

- Reason for remove of asset management component requirement for grants from the Water Fund
- Role of asset management plans

#### **EFFECT OF AMENDMENT:**

*This summary has not been adopted or officially endorsed by action of the committee.*

-1 The amendment modifies membership on the Oregon Growth Board by specifying that two of the members shall be individuals who do not belong to the same political party, with one recommended by the President of the Senate and one recommended by the Speaker of the House of Representatives, unless the Speaker and President are of the same political party, in that event the second individual will be recommended by the Minority Leader of the House of Representatives.

REVENUE: No revenue impact

FISCAL: No fiscal impact

**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 the 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 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 enforceable by a deed restriction by OBDD.
- **Section 3:** ORS 285A.196 outlines requirements for OBDD to forgive loans made under ORS 285A.195. The measure clarifies what interest rate a loan must be repaid at, 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 (Authority) to make loans to municipalities for water projects. It does permit the Authority to make a grant in specified circumstances. 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 the 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.