



Legislative Fiscal Office
 83rd Oregon Legislative Assembly
 2025 Regular Session

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 Date: June 17, 2025

Bill Title: Relating to economic development; declaring an emergency.

Government Unit(s) Affected: Oregon Business Development Department, Office of the Governor

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Business Development Department	\$ -	\$ -	\$ 15,000,000	\$ -	\$ 15,000,000	-	-
Total Fiscal Impact	\$ -	\$ -	\$ 15,000,000	\$ -	\$ 15,000,000	-	-

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Business Development Department	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
Total Fiscal Impact	\$ -	\$ -	\$ -	\$ -	\$ -	-	-

Measure Description

The measure renames the Oregon CHIPS Fund as the Oregon Fostering Innovation Strength at Home and CHIPS Fund; and authorizes the Oregon Business Development Department (OBDD) and the Governor to award grants and make loans from moneys in the fund to businesses that have not applied for federal semiconductor financial assistance, but that meet the definition of a covered entity. The measure modifies the application process that a covered entity must follow to receive a grant or loan from OBDD. The measure removes the requirement that the Governor must provide notice to the Legislative Assembly when a grant or loan amount is made for more than \$50 million. The measure removes the sunset date for the Oregon CHIPS Fund and the requirement that any remaining moneys in the fund must revert to the General Fund. The measure provides OBDD \$15 million Other Funds expenditure limitation from the Oregon Fostering Innovation Strength at Home and CHIPS Fund to award grants and make loans to covered entities; however, the expenditure limitation established by the measure does not include expenditures of moneys in the Oregon Fostering Innovation Strength at Home and CHIPS Fund that are obligated as of June 30, 2025, for existing projects authorized under SB 4 (2023).

Fiscal Analysis

The fiscal impact of the measure is \$15 million Other Funds in the 2025-27 biennium. OBDD currently awards grants and makes loans from the Oregon CHIPS Fund to businesses applying for federal semiconductor financial assistance. The measure would expand the pool of eligible applicants by removing the requirement that a business must first apply for federal semiconductor financial assistance. These changes will enable OBDD to provide financial assistance to additional covered entities in the 2025-27 biennium. OBDD anticipates providing \$15 million in new grants in the 2025-27 biennium with this expanded authority and the requisite expenditure limitation. Additional administrative costs associated with the Oregon Fostering Innovation Strength at Home and CHIPS Fund program are anticipated to be minimal and absorbable within agency existing resources.

Although not included in this measure, Policy Option Package 126 in OBDD's budget bill, HB 5024 (2025), increases Other Funds expenditure limitation by \$44.1 million Other Funds on a one-time basis to carry forward authority for Business, Innovation and Trade projects that were funded in previous biennia and are currently under contract; of that amount, \$29.8 million is attributable to semiconductor-related projects funded with CHIPS. The Oregon CHIPS Fund currently has sufficient funds to fully utilize this proposed additional expenditure limitation.

There is no anticipated fiscal impact to the Office of the Governor.

Relevant Dates

The measure declares an emergency and takes effect on passage.

The measure removes the June 30, 2025, sunset date for the Oregon Fostering Innovation Strength at Home and CHIPS Fund, and thereby, extends the fund indefinitely. Any remaining moneys in the Oregon Fostering Innovation Strength at Home and CHIPS Fund on June 30, 2025, will remain in the fund instead of reverting to the General Fund.