

HB 2277 A STAFF MEASURE SUMMARY

House Committee On Economic Development, Small Business, and Trade

Action Date: 04/07/25

Action: Do pass with amendments and be referred to Ways and Means. (Printed A-Eng.)

Vote: 8-0-1-0

Yeas: 8 - Diehl, Dobson, Isadore, Lively, Nguyen D, Skarlatos, Watanabe, Yunker

Exc: 1 - Osborne

Fiscal: Fiscal impact issued

Revenue: No revenue impact

Prepared By: Mary Mackie, LPRO Analyst

Meeting Dates: 3/19, 4/7

WHAT THE MEASURE DOES:

The measure changes the allowable use of money in the Oregon Creating Helpful Incentives to Produce Semiconductors (Oregon CHIPS) Fund, removes a requirement reverting funding to the General Fund, and sets a limit of \$15,000,000 on payment of expenses from the fund. It declares an emergency and is effective on passage.

Detailed Summary:

Allows Oregon Business Development Department (OBDD) 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 \$15,000,000 for the payment of expenses from the Oregon CHIPS Fund for the biennium ending on June 30, 2027.

Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Eligibility requirements for Oregon CHIPS Fund
- Semiconductor industry trends

EFFECT OF AMENDMENT:

Replaces the measure.

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 be transferred to the General Fund on June 30, 2025.

House Bill 2277 A 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.