

HB 2274-2  
(LC 3193)  
3/14/25 (ASD/ps)

Requested by HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT, SMALL BUSINESS, AND  
TRADE (at the request of Representative Daniel Nguyen)

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2274**

1 In line 2 of the printed bill, before the period insert “; creating new pro-  
2 visions; amending ORS 176.809, 184.617, 184.632, 184.916, 190.255, 192.355,  
3 196.635, 197.470, 197.638, 197.717, 197.723, 200.005, 200.025, 200.055, 200.057,  
4 200.065, 200.075, 200.110, 200.120, 200.170, 238.015, 238A.005, 240.205, 240.240,  
5 244.050, 276.090, 276.096, 276A.256, 279A.050, 279A.105, 279A.107, 284.111,  
6 284.114, 284.138, 284.367, 284.368, 284.555, 284.565, 284.570, 284.594, 284.597,  
7 284.706, 284.711, 284.720, 284.742, 284.745, 284.746, 284.748, 284.749, 284.751,  
8 284.754, 284.776, 284.781, 284.783, 284.793, 284.796, 284.801, 284.883, 284.890,  
9 285A.010, 285A.020, 285A.040, 285A.045, 285A.050, 285A.055, 285A.060,  
10 285A.070, 285A.075, 285A.080, 285A.083, 285A.091, 285A.093, 285A.096,  
11 285A.101, 285A.103, 285A.108, 285A.116, 285A.154, 285A.157, 285A.166,  
12 285A.167, 285A.176, 285A.180, 285A.181, 285A.185, 285A.188, 285A.190,  
13 285A.192, 285A.194, 285A.195, 285A.196, 285A.197, 285A.198, 285A.200,  
14 285A.206, 285A.213, 285A.224, 285A.227, 285A.230, 285A.306, 285A.346,  
15 285A.349, 285A.422, 285A.425, 285A.430, 285A.433, 285A.435, 285A.600,  
16 285A.627, 285A.654, 285A.660, 285A.681, 285A.690, 285A.696, 285A.708, 285B.003,  
17 285B.006, 285B.009, 285B.012, 285B.015, 285B.018, 285B.021, 285B.024, 285B.027,  
18 285B.030, 285B.050, 285B.053, 285B.056, 285B.059, 285B.062, 285B.063, 285B.065,  
19 285B.068, 285B.080, 285B.081, 285B.086, 285B.089, 285B.092, 285B.093, 285B.109,  
20 285B.113, 285B.115, 285B.117, 285B.118, 285B.119, 285B.130, 285B.133, 285B.168,  
21 285B.178, 285B.179, 285B.200, 285B.206, 285B.209, 285B.215, 285B.218, 285B.230,

1 285B.236, 285B.260, 285B.266, 285B.283, 285B.286, 285B.290, 285B.323, 285B.326,  
2 285B.329, 285B.335, 285B.338, 285B.341, 285B.344, 285B.362, 285B.371, 285B.410,  
3 285B.413, 285B.419, 285B.421, 285B.428, 285B.440, 285B.449, 285B.455, 285B.456,  
4 285B.462, 285B.467, 285B.473, 285B.482, 285B.503, 285B.533, 285B.551, 285B.563,  
5 285B.572, 285B.575, 285B.593, 285B.599, 285B.602, 285B.605, 285B.608, 285B.610,  
6 285B.615, 285B.618, 285B.620, 285B.622, 285B.626, 285B.627, 285B.630, 285B.632,  
7 285B.637, 285B.640, 285B.655, 285B.660, 285B.664, 285B.670, 285B.676, 285B.740,  
8 285B.743, 285B.746, 285B.749, 285B.753, 285B.758, 285B.761, 285B.762, 285B.763,  
9 285B.764, 285B.768, 285B.771, 285B.774, 285B.775, 285B.787, 285B.791, 285B.794,  
10 285B.797, 285B.799, 285C.050, 285C.060, 285C.065, 285C.066, 285C.067, 285C.068,  
11 285C.070, 285C.074, 285C.078, 285C.085, 285C.090, 285C.095, 285C.100, 285C.102,  
12 285C.105, 285C.115, 285C.117, 285C.120, 285C.125, 285C.130, 285C.140, 285C.145,  
13 285C.163, 285C.200, 285C.215, 285C.240, 285C.245, 285C.306, 285C.353, 285C.370,  
14 285C.403, 285C.407, 285C.503, 285C.506, 285C.540, 285C.543, 285C.545, 285C.547,  
15 285C.549, 285C.551, 285C.553, 285C.555, 285C.557, 285C.559, 285C.600, 285C.606,  
16 285C.609, 285C.612, 285C.615, 285C.620, 285C.623, 285C.626, 285C.650, 285C.653,  
17 285C.656, 285C.659, 286A.585, 286A.630, 286A.760, 286A.762, 286A.766, 286A.768,  
18 286A.780, 286A.782, 286A.786, 286A.788, 307.123, 314.669, 314.671, 314.673,  
19 315.341, 315.516, 315.518, 315.522, 315.533, 319.415, 329.850, 329A.720, 329A.723,  
20 329A.725, 329A.727, 348.702, 350.115, 350.120, 358.055, 358.595, 359.020, 359.025,  
21 359.030, 359.040, 359.050, 359.065, 359.100, 359.110, 359.120, 359.130, 359.135,  
22 359.137, 359.142, 359.405, 366.553, 367.084, 390.241, 390.262, 401.054, 401.910,  
23 431.120, 431A.280, 454.797, 455.466, 458.362, 458.730, 459A.020, 459A.130,  
24 461.740, 468.173, 468A.220, 526.274, 526.280, 536.220, 541.551, 541.669, 541.845,  
25 541.972, 571.605, 571.610, 571.615, 571.625, 576.013, 576.871, 657.665, 660.312,  
26 660.324, 660.364, 759.405, 759.425, 759.430, 759.435, 759.440, 759.445, 776.129,  
27 777.267, 777.282, 777.284, 805.274 and 836.642 and section 2, chapter 559,  
28 Oregon Laws 2005, sections 13, 14 and 15, chapter 746, Oregon Laws 2007,  
29 sections 3 and 6, chapter 786, Oregon Laws 2013, section 4, chapter 812,  
30 Oregon Laws 2015, section 7a, chapter 66, Oregon Laws 2016, section 28,

1 chapter 748, Oregon Laws 2017, section 5, chapter 17, Oregon Laws 2020 (first  
2 special session), section 1, chapter 376, Oregon Laws 2021, sections 30 and  
3 32, chapter 508, Oregon Laws 2021, section 9, chapter 676, Oregon Laws 2021,  
4 sections 1 and 2, chapter 12, Oregon Laws 2023, section 9, chapter 13, Oregon  
5 Laws 2023, sections 1, 1a, 2, 3, 4, 5 and 6, chapter 25, Oregon Laws 2023,  
6 section 5, chapter 298, Oregon Laws 2023, section 10, chapter 546, Oregon  
7 Laws 2023, section 45, chapter 599, Oregon Laws 2023, sections 28, 29, 30, 31,  
8 32 and 33, chapter 606, Oregon Laws 2023, section 1, chapter 54, Oregon Laws  
9 2024, sections 2 and 3, chapter 81, Oregon Laws 2024, sections 1 and 2,  
10 chapter 103, Oregon Laws 2024, and sections 1, 13, 14 and 28, chapter 110,  
11 Oregon Laws 2024; repealing section 10, chapter 17, Oregon Laws 2020 (first  
12 special session); and declaring an emergency”.

13 Delete lines 4 through 8 and insert:

14 **“SECTION 1.** ORS 176.809 is amended to read:

15 “176.809. (1) The Governor, in consultation with the State Department of  
16 Energy and the [*Oregon Business Development Department*] **Oregon De-**  
17 **partment of Commerce and Trade**, shall compile existing data and prepare  
18 an extensive statewide contingency plan to maintain emergency services,  
19 continue productivity and reduce hardship during an energy emergency.

20 “(2) As used in this section, ‘energy emergency’ means a severe fuel oil  
21 shortage caused by international market conditions or hostilities, or any  
22 other emergency threatening the availability of any energy resource neces-  
23 sary to maintain essential services and transportation, the shortage of which  
24 jeopardizes the health, safety and welfare of the people of the State of  
25 Oregon.

26 **“SECTION 2.** ORS 184.617 is amended to read:

27 “184.617. (1) The Oregon Transportation Commission shall:

28 “(a) Establish the policies for the operation of the Department of Trans-  
29 portation in a manner consistent with the policies and purposes of ORS  
30 184.610 to 184.665.

1 “(b) Develop and maintain state transportation policies, including but not  
2 limited to policies related to the management, construction and maintenance  
3 of highways and other transportation systems in Oregon, including but not  
4 limited to aviation, ports and rail.

5 “(c) Develop and maintain a comprehensive, 20-year long-range plan for  
6 a safe, multimodal transportation system for the state which encompasses  
7 economic efficiency, orderly economic development and environmental qual-  
8 ity. The comprehensive, long-range plan:

9 “(A) Must include, but not be limited to, aviation, highways, mass transit,  
10 ports, rails and waterways; and

11 “(B) Must be used by all agencies and officers to guide and coordinate  
12 transportation activities and to ensure transportation planning utilizes the  
13 potential of all existing and developing modes of transportation.

14 “(d) In coordination with the State Marine Board, the [*Oregon Business*  
15 *Development Department*] **Oregon Department of Commerce and Trade**,  
16 the State Aviation Board, cities, counties, mass transit districts organized  
17 under ORS 267.010 to 267.394 and transportation districts organized under  
18 ORS 267.510 to 267.650, develop plans for each mode of transportation and  
19 multimodal plans for the movement of people and freight. Subject to para-  
20 graph (c) of this subsection, the plans must include a list of projects needed  
21 to maintain and develop the transportation infrastructure of this state for  
22 at least 20 years in the future.

23 “(e) For the plans developed under paragraph (d) of this subsection, in-  
24 clude a list of projects for at least 20 years into the future that are capable  
25 of being accomplished using the resources reasonably expected to be avail-  
26 able. As the plans are developed by the commission, the Director of Trans-  
27 portation shall prepare and submit implementation programs to the  
28 commission for approval. Work approved by the commission to carry out the  
29 plans shall be assigned to the appropriate unit of the Department of Trans-  
30 portation or other appropriate public body, as defined in ORS 174.109.

1 “(f) Initiate studies, as it deems necessary, to guide the director concern-  
2 ing the transportation needs of Oregon.

3 “(g) Prescribe the administrative practices followed by the director in the  
4 performance of any duty imposed on the director by law.

5 “(h) Seek to enter into intergovernmental agreements with local govern-  
6 ments and local service districts, as those terms are defined in ORS 174.116,  
7 to encourage cooperation between the department and local governments and  
8 local service districts to maximize the efficiency of transportation systems  
9 in Oregon.

10 “(i) Review and approve the department’s:

11 “(A) Proposed transportation projects, as described in the Statewide  
12 Transportation Improvement Program, and any significant transportation  
13 project modifications, as determined by the commission;

14 “(B) Proposed budget form prior to the department submitting the form  
15 to the Oregon Department of Administrative Services under ORS 291.208;

16 “(C) Anticipated capital construction requirements;

17 “(D) Construction priorities; and

18 “(E) Selection, vacation or abandonment of state highways.

19 “(j) Adopt a statewide transportation strategy on greenhouse gas emis-  
20 sions to aid in achieving the greenhouse gas emissions reduction goals set  
21 forth in ORS 468A.205. The commission shall focus on reducing greenhouse  
22 gas emissions resulting from transportation. In developing the strategy, the  
23 commission shall consider state and federal programs, policies and incentives  
24 related to reducing greenhouse gas emissions. The commission shall consult  
25 and cooperate with metropolitan planning organizations, other state agen-  
26 cies, local governments and stakeholders and shall actively solicit public  
27 review and comment in the development of the strategy.

28 “(k) Perform any other duty vested in it by law.

29 “(2) The commission has general power to take any action necessary to  
30 coordinate and administer programs relating to highways, motor carriers,

1 motor vehicles, public transit, rail, transportation safety and such other  
2 programs related to transportation.

3 “(3) The commission may require the director to furnish whatever reports,  
4 statistics, information or assistance the commission may request in order to  
5 study the department or transportation-related issues.

6 **“SECTION 3.** ORS 184.632 is amended to read:

7 “184.632. (1) The Legislative Assembly finds that:

8 “(a) The ports in Oregon provide effective local assistance to state  
9 transportation development efforts.

10 “(b) The ports in this state develop and market facilities and services to  
11 support important existing industries in this state, such as aviation, mari-  
12 time commerce, international trade, tourism, recreation and transportation.

13 “(c) Port facilities, including roads, railroads, airports, harbors and navi-  
14 gation channels, are an integral element of the transportation infrastructure  
15 of this state.

16 “(2) Therefore, the Legislative Assembly declares that it is the policy of  
17 this state to include Oregon’s ports in planning and implementing transpor-  
18 tation programs. To that end, the Department of Transportation and the  
19 Oregon Department of Aviation may work to:

20 “(a) Coordinate with the [*Oregon Business Development Department*]  
21 **Oregon Department of Commerce and Trade** to facilitate port planning  
22 and development;

23 “(b) Promote local cooperation in statewide planning and development of  
24 the ports;

25 “(c) Promote long-term economic self-sufficiency of the ports;

26 “(d) Encourage cost-effective investments with prudent financial consid-  
27 eration of port development projects; and

28 “(e) Facilitate the efforts of the ports to expand and respond to greater  
29 domestic and international market opportunities.

30 **“SECTION 4.** ORS 184.916 is amended to read:

1 “184.916. (1) The Oregon Broadband Office within the [*Oregon Business*  
2 *Development Department*] **Oregon Department of Commerce and Trade**  
3 shall develop a registry of telecommunications providers in this state. The  
4 office shall update the registry no less than once per year and shall make  
5 the most recently updated registry available to the Department of Transpor-  
6 tation.

7 “(2) The Department of Transportation shall identify potential projects  
8 included in the Statewide Transportation Improvement Program for which  
9 notification under subsection (3) of this section is required. Potential  
10 projects eligible for identification under this subsection:

11 “(a) Must, except as otherwise provided in paragraph (b) of this sub-  
12 section, include projects on a state highway that involve the construction  
13 of underground utility infrastructure, road construction, road resurfacing or  
14 other work that will result in longitudinal trenching spanning a minimum  
15 length to be determined by the department by rule and that could reasonably  
16 include, or prepare for, the installation of broadband conduit; and

17 “(b) May only include projects on an interstate highway to the extent  
18 otherwise authorized under federal or state law.

19 “(3) For each project identified under subsection (2) of this section, the  
20 department shall timely notify each telecommunications provider on the  
21 registry established under subsection (1) of this section:

22 “(a) That the project has been identified as suitable for coordination with  
23 telecommunication providers;

24 “(b) Of the telecommunication provider’s opportunity to coordinate with  
25 the department to accommodate installation of underground utility  
26 infrastructure; and

27 “(c) Of the process for submitting a statement of interest to coordinate  
28 with the department on the project.

29 “(4) The department shall provide each telecommunications provider that  
30 receives a notice under subsection (3) of this section no less than 30 days

1 from the date the notice is issued to submit to the department a statement  
2 of interest to coordinate with the department.

3 “(5) This section does not require the department to provide notice of an  
4 opportunity to coordinate for the installation of underground utility  
5 infrastructure directly to any telecommunications provider, other utility or  
6 any other entity in a manner not described in this section.

7 **“SECTION 5.** ORS 190.255 is amended to read:

8 “190.255. (1) Notwithstanding any provision of law governing the  
9 confidentiality or disclosure of information, a state agency may enter into  
10 an interagency agreement with another state agency to disclose to the other  
11 state agency a business name, address, telephone number or state-generated  
12 common identification number or the nature of a business or type of entity  
13 conducting the business, for the purposes of registering businesses or updat-  
14 ing business registration records.

15 “(2) Notwithstanding any provision of law governing the confidentiality  
16 or disclosure of information, a state agency receiving information described  
17 in subsection (1) of this section from another state agency pursuant to an  
18 interagency agreement with the other state agency may use the information  
19 to maintain and update its records, including posting the information on  
20 databases that are accessible by the public, provided the original source of  
21 the information is not publicly disclosed.

22 “(3) As used in this section, ‘state agency’ means the Employment De-  
23 partment, the Department of Consumer and Business Services, the Depart-  
24 ment of Justice, the [*Oregon Business Development Department*] **Oregon**  
25 **Department of Commerce and Trade**, the Department of Revenue and the  
26 Corporation Division of the Office of the Secretary of State.

27 **“SECTION 6.** ORS 192.355, as amended by section 13, chapter 87, Oregon  
28 Laws 2024, is amended to read:

29 “192.355. The following public records are exempt from disclosure under  
30 ORS 192.311 to 192.478:



1       “(1) Communications within a public body or between public bodies of an  
2 advisory nature to the extent that they cover other than purely factual ma-  
3 terials and are preliminary to any final agency determination of policy or  
4 action. This exemption shall not apply unless the public body shows that in  
5 the particular instance the public interest in encouraging frank communi-  
6 cation between officials and employees of public bodies clearly outweighs the  
7 public interest in disclosure.

8       “(2)(a) Information of a personal nature such as but not limited to that  
9 kept in a personal, medical or similar file, if public disclosure would consti-  
10 tute an unreasonable invasion of privacy, unless the public interest by clear  
11 and convincing evidence requires disclosure in the particular instance. The  
12 party seeking disclosure shall have the burden of showing that public dis-  
13 closure would not constitute an unreasonable invasion of privacy.

14       “(b) Images of a dead body, or parts of a dead body, that are part of a law  
15 enforcement agency investigation, if public disclosure would create an un-  
16 reasonable invasion of privacy of the family of the deceased person, unless  
17 the public interest by clear and convincing evidence requires disclosure in  
18 the particular instance. The party seeking disclosure shall have the burden  
19 of showing that public disclosure would not constitute an unreasonable in-  
20 vasion of privacy.

21       “(3) Upon compliance with ORS 192.363, public body employee or volun-  
22 teer residential addresses, residential telephone numbers, personal cellular  
23 telephone numbers, personal electronic mail addresses, driver license num-  
24 bers, employer-issued identification card numbers, emergency contact infor-  
25 mation, Social Security numbers, dates of birth and other telephone numbers  
26 contained in records maintained by the public body that is the employer or  
27 the recipient of volunteer services. This exemption:

28       “(a) Does not apply to the addresses, dates of birth and telephone numbers  
29 of employees or volunteers who are elected officials, except that a judge or  
30 district attorney subject to election may seek to exempt the judge’s or dis-

1 trict attorney's address or telephone number, or both, under the terms of  
2 ORS 192.368;

3 “(b) Does not apply to employees or volunteers to the extent that the  
4 party seeking disclosure shows by clear and convincing evidence that the  
5 public interest requires disclosure in a particular instance pursuant to ORS  
6 192.363;

7 “(c) Does not apply to a substitute teacher as defined in ORS 342.815  
8 when requested by a professional education association of which the substi-  
9 tute teacher may be a member; and

10 “(d) Does not relieve a public employer of any duty under ORS 243.650 to  
11 243.809.

12 “(4) Information submitted to a public body in confidence and not other-  
13 wise required by law to be submitted, where such information should rea-  
14 sonably be considered confidential, the public body has obliged itself in good  
15 faith not to disclose the information, and when the public interest would  
16 suffer by the disclosure.

17 “(5) Information or records of the Department of Corrections, including  
18 the State Board of Parole and Post-Prison Supervision, to the extent that  
19 disclosure would interfere with the rehabilitation of a person in custody of  
20 the department or substantially prejudice or prevent the carrying out of the  
21 functions of the department, if the public interest in confidentiality clearly  
22 outweighs the public interest in disclosure.

23 “(6) Records, reports and other information received or compiled by the  
24 Director of the Department of Consumer and Business Services in the ad-  
25 ministration of ORS chapters 723 and 725 not otherwise required by law to  
26 be made public, to the extent that the interests of lending institutions, their  
27 officers, employees and customers in preserving the confidentiality of such  
28 information outweighs the public interest in disclosure.

29 “(7) Reports made to or filed with the court under ORS 137.077 or 137.530.

30 “(8) Any public records or information the disclosure of which is prohib-

1 ited by federal law or regulations.

2 “(9)(a) Public records or information the disclosure of which is prohibited  
3 or restricted or otherwise made confidential or privileged under Oregon law.

4 “(b) Subject to ORS 192.360, paragraph (a) of this subsection does not  
5 apply to factual information compiled in a public record when:

6 “(A) The basis for the claim of exemption is ORS 40.225;

7 “(B) The factual information is not prohibited from disclosure under any  
8 applicable state or federal law, regulation or court order and is not other-  
9 wise exempt from disclosure under ORS 192.311 to 192.478;

10 “(C) The factual information was compiled by or at the direction of an  
11 attorney as part of an investigation on behalf of the public body in response  
12 to information of possible wrongdoing by the public body;

13 “(D) The factual information was not compiled in preparation for liti-  
14 gation, arbitration or an administrative proceeding that was reasonably  
15 likely to be initiated or that has been initiated by or against the public body;  
16 and

17 “(E) The holder of the privilege under ORS 40.225 has made or authorized  
18 a public statement characterizing or partially disclosing the factual infor-  
19 mation compiled by or at the attorney’s direction.

20 “(10) Public records or information described in this section, furnished  
21 by the public body originally compiling, preparing or receiving them to any  
22 other public officer or public body in connection with performance of the  
23 duties of the recipient, if the considerations originally giving rise to the  
24 confidential or exempt nature of the public records or information remain  
25 applicable.

26 “(11) Records of the Energy Facility Siting Council concerning the review  
27 or approval of security programs pursuant to ORS 469.530.

28 “(12) Employee and retiree address, telephone number and other nonfi-  
29 nancial membership records and employee financial records maintained by  
30 the Public Employees Retirement System pursuant to ORS chapters 238 and

1 238A or by another retirement system operated by a public body.

2 “(13) Records of or submitted to the State Treasurer, the Oregon Invest-  
3 ment Council or the agents of the treasurer or the council relating to active  
4 or proposed publicly traded investments under ORS chapter 293, including  
5 but not limited to records regarding the acquisition, exchange or liquidation  
6 of the investments. For the purposes of this subsection:

7 “(a) The exemption does not apply to:

8 “(A) Information in investment records solely related to the amount paid  
9 directly into an investment by, or returned from the investment directly to,  
10 the treasurer or council; or

11 “(B) The identity of the entity to which the amount was paid directly or  
12 from which the amount was received directly.

13 “(b) An investment in a publicly traded investment is no longer active  
14 when acquisition, exchange or liquidation of the investment has been con-  
15 cluded.

16 “(14)(a) Records of or submitted to the State Treasurer, the Oregon In-  
17 vestment Council, the Oregon Growth Board or the agents of the treasurer,  
18 council or board relating to actual or proposed investments under ORS  
19 chapter 293 or 348 in a privately placed investment fund or a private asset  
20 including but not limited to records regarding the solicitation, acquisition,  
21 deployment, exchange or liquidation of the investments including but not  
22 limited to:

23 “(A) Due diligence materials that are proprietary to an investment fund,  
24 to an asset ownership or to their respective investment vehicles.

25 “(B) Financial statements of an investment fund, an asset ownership or  
26 their respective investment vehicles.

27 “(C) Meeting materials of an investment fund, an asset ownership or their  
28 respective investment vehicles.

29 “(D) Records containing information regarding the portfolio positions in  
30 which an investment fund, an asset ownership or their respective investment

1 vehicles invest.

2 “(E) Capital call and distribution notices of an investment fund, an asset  
3 ownership or their respective investment vehicles.

4 “(F) Investment agreements and related documents.

5 “(b) The exemption under this subsection does not apply to:

6 “(A) The name, address and vintage year of each privately placed invest-  
7 ment fund.

8 “(B) The dollar amount of the commitment made to each privately placed  
9 investment fund since inception of the fund.

10 “(C) The dollar amount of cash contributions made to each privately  
11 placed investment fund since inception of the fund.

12 “(D) The dollar amount, on a fiscal year-end basis, of cash distributions  
13 received by the State Treasurer, the Oregon Investment Council, the Oregon  
14 Growth Board or the agents of the treasurer, council or board from each  
15 privately placed investment fund.

16 “(E) The dollar amount, on a fiscal year-end basis, of the remaining value  
17 of assets in a privately placed investment fund attributable to an investment  
18 by the State Treasurer, the Oregon Investment Council, the Oregon Growth  
19 Board or the agents of the treasurer, council or board.

20 “(F) The net internal rate of return of each privately placed investment  
21 fund since inception of the fund.

22 “(G) The investment multiple of each privately placed investment fund  
23 since inception of the fund.

24 “(H) The dollar amount of the total management fees and costs paid on  
25 an annual fiscal year-end basis to each privately placed investment fund.

26 “(I) The dollar amount of cash profit received from each privately placed  
27 investment fund on a fiscal year-end basis.

28 “(15) The monthly reports prepared and submitted under ORS 293.761 and  
29 293.766 concerning the Public Employees Retirement Fund and the Industrial  
30 Accident Fund may be uniformly treated as exempt from disclosure for a

1 period of up to 90 days after the end of the calendar quarter.

2 “(16) Reports of unclaimed property filed by the holders of such property  
3 to the extent permitted by ORS 98.352.

4 “(17)(a) The following records, communications and information submitted  
5 to the [*Oregon Business Development Commission*] **Oregon Commerce and**  
6 **Trade Commission**, the [*Oregon Business Development Department*] **Oregon**  
7 **Department of Commerce and Trade**, the State Department of Agricul-  
8 ture, the Oregon Growth Board, the Port of Portland or other ports as de-  
9 fined in ORS 777.005, or a county or city governing body and any board,  
10 department, commission, council or agency thereof, by applicants for invest-  
11 ment funds, grants, loans, services or economic development moneys, support  
12 or assistance including, but not limited to, those described in ORS 285A.224:

13 “(A) Personal financial statements.

14 “(B) Financial statements of applicants.

15 “(C) Customer lists.

16 “(D) Information of an applicant pertaining to litigation to which the  
17 applicant is a party if the complaint has been filed, or if the complaint has  
18 not been filed, if the applicant shows that such litigation is reasonably likely  
19 to occur; this exemption does not apply to litigation which has been con-  
20 cluded, and nothing in this subparagraph shall limit any right or opportunity  
21 granted by discovery or deposition statutes to a party to litigation or po-  
22 tential litigation.

23 “(E) Production, sales and cost data.

24 “(F) Marketing strategy information that relates to applicant’s plan to  
25 address specific markets and applicant’s strategy regarding specific compet-  
26 itors.

27 “(b) The following records, communications and information submitted to  
28 the State Department of Energy by applicants for tax credits or for grants  
29 awarded under ORS 469B.256:

30 “(A) Personal financial statements.

1       “(B) Financial statements of applicants.

2       “(C) Customer lists.

3       “(D) Information of an applicant pertaining to litigation to which the  
4 applicant is a party if the complaint has been filed, or if the complaint has  
5 not been filed, if the applicant shows that such litigation is reasonably likely  
6 to occur; this exemption does not apply to litigation which has been con-  
7 cluded, and nothing in this subparagraph shall limit any right or opportunity  
8 granted by discovery or deposition statutes to a party to litigation or po-  
9 tential litigation.

10       “(E) Production, sales and cost data.

11       “(F) Marketing strategy information that relates to applicant’s plan to  
12 address specific markets and applicant’s strategy regarding specific compet-  
13 itors.

14       “(18) Records, reports or returns submitted by private concerns or enter-  
15 prises required by law to be submitted to or inspected by a governmental  
16 body to allow it to determine the amount of any transient lodging tax pay-  
17 able and the amounts of such tax payable or paid, to the extent that such  
18 information is in a form which would permit identification of the individual  
19 concern or enterprise. Nothing in this subsection shall limit the use which  
20 can be made of such information for regulatory purposes or its admissibility  
21 in any enforcement proceedings. The public body shall notify the taxpayer  
22 of the delinquency immediately by certified mail. However, in the event that  
23 the payment or delivery of transient lodging taxes otherwise due to a public  
24 body is delinquent by over 60 days, the public body shall disclose, upon the  
25 request of any person, the following information:

26       “(a) The identity of the individual concern or enterprise that is delinquent  
27 over 60 days in the payment or delivery of the taxes.

28       “(b) The period for which the taxes are delinquent.

29       “(c) The actual, or estimated, amount of the delinquency.

30       “(19) All information supplied by a person under ORS 151.485 for the

1 purpose of requesting appointed counsel, and all information supplied to the  
2 court from whatever source for the purpose of verifying the financial eligi-  
3 bility of a person pursuant to ORS 151.485.

4 “(20) Workers’ compensation claim records of the Department of Con-  
5 sumer and Business Services, except in accordance with rules adopted by the  
6 Director of the Department of Consumer and Business Services, in any of the  
7 following circumstances:

8 “(a) When necessary for insurers, self-insured employers and third party  
9 claim administrators to process workers’ compensation claims.

10 “(b) When necessary for the director, other governmental agencies of this  
11 state or the United States to carry out their duties, functions or powers.

12 “(c) When the disclosure is made in such a manner that the disclosed in-  
13 formation cannot be used to identify any worker who is the subject of a  
14 claim.

15 “(d) When a worker or the worker’s representative requests review of the  
16 worker’s claim record.

17 “(21) Sensitive business records or financial or commercial information  
18 of the Oregon Health and Science University that is not customarily pro-  
19 vided to business competitors.

20 “(22) Records of Oregon Health and Science University regarding candi-  
21 dates for the position of president of the university.

22 “(23) The records of a library, including:

23 “(a) Circulation records, showing use of specific library material by a  
24 named person;

25 “(b) The name of a library patron together with the address or telephone  
26 number of the patron; and

27 “(c) The electronic mail address of a patron.

28 “(24) The following records, communications and information obtained by  
29 the Housing and Community Services Department in connection with the  
30 department’s monitoring or administration of financial assistance or of



1 housing or other developments:

2 “(a) Personal and corporate financial statements and information, in-  
3 cluding tax returns.

4 “(b) Credit reports.

5 “(c) Project appraisals, excluding appraisals obtained in the course of  
6 transactions involving an interest in real estate that is acquired, leased,  
7 rented, exchanged, transferred or otherwise disposed of as part of the project,  
8 but only after the transactions have closed and are concluded.

9 “(d) Market studies and analyses.

10 “(e) Articles of incorporation, partnership agreements and operating  
11 agreements.

12 “(f) Commitment letters.

13 “(g) Project pro forma statements.

14 “(h) Project cost certifications and cost data.

15 “(i) Audits.

16 “(j) Project tenant correspondence.

17 “(k) Personal information about a tenant.

18 “(L) Housing assistance payments.

19 “(25) Raster geographic information system (GIS) digital databases, pro-  
20 vided by private forestland owners or their representatives, voluntarily and  
21 in confidence to the State Forestry Department, that is not otherwise re-  
22 quired by law to be submitted.

23 “(26) Sensitive business, commercial or financial information furnished to  
24 or developed by a public body engaged in the business of providing electricity  
25 or electricity services, if the information is directly related to a transaction  
26 described in ORS 261.348, or if the information is directly related to a bid,  
27 proposal or negotiations for the sale or purchase of electricity or electricity  
28 services, and disclosure of the information would cause a competitive disad-  
29 vantage for the public body or its retail electricity customers. This sub-  
30 section does not apply to cost-of-service studies used in the development or

1 review of generally applicable rate schedules.

2 “(27) Sensitive business, commercial or financial information furnished to  
3 or developed by the City of Klamath Falls, acting solely in connection with  
4 the ownership and operation of the Klamath Cogeneration Project, if the  
5 information is directly related to a transaction described in ORS 225.085 and  
6 disclosure of the information would cause a competitive disadvantage for the  
7 Klamath Cogeneration Project. This subsection does not apply to cost-of-  
8 service studies used in the development or review of generally applicable rate  
9 schedules.

10 “(28) Personally identifiable information about customers of a municipal  
11 electric utility or a people’s utility district or the names, dates of birth,  
12 driver license numbers, telephone numbers, electronic mail addresses or So-  
13 cial Security numbers of customers who receive water, sewer or storm drain  
14 services from a public body as defined in ORS 174.109. The utility or district  
15 may release personally identifiable information about a customer, and a  
16 public body providing water, sewer or storm drain services may release the  
17 name, date of birth, driver license number, telephone number, electronic mail  
18 address or Social Security number of a customer, if the customer consents  
19 in writing or electronically, if the disclosure is necessary for the utility,  
20 district or other public body to render services to the customer, if the dis-  
21 closure is required pursuant to a court order or if the disclosure is otherwise  
22 required by federal or state law. The utility, district or other public body  
23 may charge as appropriate for the costs of providing such information. The  
24 utility, district or other public body may make customer records available  
25 to third party credit agencies on a regular basis in connection with the es-  
26 tablishment and management of customer accounts or in the event such ac-  
27 counts are delinquent.

28 “(29) A record of the street and number of an employee’s address submit-  
29 ted to a special district to obtain assistance in promoting an alternative to  
30 single occupant motor vehicle transportation.

1 “(30) Sensitive business records, capital development plans or financial  
2 or commercial information of Oregon Corrections Enterprises that is not  
3 customarily provided to business competitors.

4 “(31) Documents, materials or other information submitted to the Director  
5 of the Department of Consumer and Business Services in confidence by a  
6 state, federal, foreign or international regulatory or law enforcement agency  
7 or by the National Association of Insurance Commissioners, its affiliates or  
8 subsidiaries under ORS 86A.095 to 86A.198, 697.005 to 697.095, 697.602 to  
9 697.842, 705.137, 717.200 to 717.320, 717.900 or 717.905, ORS chapter 59, 723,  
10 725 or 726, the Bank Act or the Insurance Code when:

11 “(a) The document, material or other information is received upon notice  
12 or with an understanding that it is confidential or privileged under the laws  
13 of the jurisdiction that is the source of the document, material or other in-  
14 formation; and

15 “(b) The director has obligated the Department of Consumer and Business  
16 Services not to disclose the document, material or other information.

17 “(32) A county elections security plan developed and filed under ORS  
18 254.074.

19 “(33) Information about review or approval of programs relating to the  
20 security of:

21 “(a) Generation, storage or conveyance of:

22 “(A) Electricity;

23 “(B) Gas in liquefied or gaseous form;

24 “(C) Hazardous substances as defined in ORS 453.005 (7)(a), (b) and (d);

25 “(D) Petroleum products;

26 “(E) Sewage; or

27 “(F) Water.

28 “(b) Telecommunication systems, including cellular, wireless or radio  
29 systems.

30 “(c) Data transmissions by whatever means provided.

1       “(34) The information specified in ORS 25.020 (8) if the Chief Justice of  
2 the Supreme Court designates the information as confidential by rule under  
3 ORS 1.002.

4       “(35)(a) Employer account records of the State Accident Insurance Fund  
5 Corporation.

6       “(b) As used in this subsection, ‘employer account records’ means all re-  
7 cords maintained in any form that are specifically related to the account of  
8 any employer insured, previously insured or under consideration to be in-  
9 sured by the State Accident Insurance Fund Corporation and any informa-  
10 tion obtained or developed by the corporation in connection with providing,  
11 offering to provide or declining to provide insurance to a specific employer.  
12 ‘Employer account records’ includes, but is not limited to, an employer’s  
13 payroll records, premium payment history, payroll classifications, employee  
14 names and identification information, experience modification factors, loss  
15 experience and dividend payment history.

16       “(c) The exemption provided by this subsection may not serve as the basis  
17 for opposition to the discovery documents in litigation pursuant to applicable  
18 rules of civil procedure.

19       “(36)(a) Claimant files of the State Accident Insurance Fund Corporation.

20       “(b) As used in this subsection, ‘claimant files’ includes, but is not limited  
21 to, all records held by the corporation pertaining to a person who has made  
22 a claim, as defined in ORS 656.005, and all records pertaining to such a  
23 claim.

24       “(c) The exemption provided by this subsection may not serve as the basis  
25 for opposition to the discovery documents in litigation pursuant to applicable  
26 rules of civil procedure.

27       “(37) Except as authorized by ORS 408.425, records that certify or verify  
28 an individual’s discharge or other separation from military service.

29       “(38) Records of or submitted to a domestic violence service or resource  
30 center that relate to the name or personal information of an individual who

1 visits a center for service, including the date of service, the type of service  
2 received, referrals or contact information or personal information of a family  
3 member of the individual. As used in this subsection, ‘domestic violence  
4 service or resource center’ means an entity, the primary purpose of which is  
5 to assist persons affected by domestic or sexual violence by providing refer-  
6 rals, resource information or other assistance specifically of benefit to do-  
7 mestic or sexual violence victims.

8 “(39) Information reported to the Oregon Health Authority under ORS  
9 431A.860, except as provided in ORS 431A.865 (3)(b), information disclosed  
10 by the authority under ORS 431A.865 and any information related to disclo-  
11 sures made by the authority under ORS 431A.865, including information  
12 identifying the recipient of the information.

13 “(40)(a) Electronic mail addresses in the possession or custody of an  
14 agency or subdivision of the executive department, as defined in ORS 174.112,  
15 the legislative department, as defined in ORS 174.114, a local government or  
16 local service district, as defined in ORS 174.116, or a special government  
17 body, as defined in ORS 174.117.

18 “(b) This subsection does not apply to electronic mail addresses assigned  
19 by a public body to public employees for use by the employees in the ordi-  
20 nary course of their employment.

21 “(c) This subsection and ORS 244.040 do not prohibit the campaign office  
22 of the current officeholder or current candidates who have filed to run for  
23 that elective office from receiving upon request the electronic mail addresses  
24 used by the current officeholder’s legislative office for newsletter distrib-  
25 ution, except that a campaign office that receives electronic mail addresses  
26 under this paragraph may not make a further disclosure of those electronic  
27 mail addresses to any other person.

28 “(41) Residential addresses, residential telephone numbers, personal cel-  
29 lular telephone numbers, personal electronic mail addresses, driver license  
30 numbers, emergency contact information, Social Security numbers, dates of

1 birth and other telephone numbers of individuals currently or previously  
2 certified or licensed by the Department of Public Safety Standards and  
3 Training contained in the records maintained by the department.

4 “(42) Personally identifiable information and contact information of vet-  
5 erans as defined in ORS 408.225 and of persons serving on active duty or as  
6 reserve members with the Armed Forces of the United States, National  
7 Guard or other reserve component that was obtained by the Department of  
8 Veterans’ Affairs in the course of performing its duties and functions, in-  
9 cluding but not limited to names, residential and employment addresses,  
10 dates of birth, driver license numbers, telephone numbers, electronic mail  
11 addresses, Social Security numbers, marital status, dependents, the character  
12 of discharge from military service, military rating or rank, that the person  
13 is a veteran or has provided military service, information relating to an ap-  
14 plication for or receipt of federal or state benefits, information relating to  
15 the basis for receipt or denial of federal or state benefits and information  
16 relating to a home loan or grant application, including but not limited to  
17 financial information provided in connection with the application.

18 “(43) Business, commercial, financial, operational and research data and  
19 information, including but not limited to pricing, intellectual property and  
20 customer records, furnished to, developed by or generated in connection with  
21 the ownership and operation of an unmanned aerial system test range, if  
22 disclosure of the information would cause a competitive disadvantage to the  
23 test range or its users.

24 “(44) Personally identifiable information about a child under the age of  
25 16 years that is submitted to the State Fish and Wildlife Commission or an  
26 agent of the commission to obtain a license, tag or permit under the wildlife  
27 laws.

28 “(45) Proprietary information subject to a nondisclosure agreement that  
29 is provided to the Oregon Broadband Office pursuant to ORS 285A.176.

30 “(46) With respect to records held by the State Treasurer relating to un-

1 claimed properties under ORS 98.302 to 98.436:

2 “(a) All materials or communications received during an examination  
3 under ORS 98.412 (2) and (3), except to the extent that the information in the  
4 materials or communications appears within a report under ORS 98.412 (4)  
5 or 98.352 and the information is not otherwise exempt under ORS 98.352 (4).

6 “(b) All materials or communications assembled or used by the state or  
7 its auditor during the preparation of a report under ORS 98.412 (4), including  
8 drafts, correspondence, working papers and other preparatory documents.

9 “(c) Information obtained during an examination under ORS 98.412 (2) and  
10 (3) concerning an unclaimed property holder’s potential liability in a state  
11 other than Oregon, even if that information is included in a report under  
12 ORS 98.412 (4) or 98.352.

13 “(d) Information in or supporting claims to unclaimed property under ORS  
14 98.392, except to the extent that the claimant consents to the information’s  
15 disclosure.

16 “(47) Any document, record or plan for protection relating to the exist-  
17 ence, nature, location or function of cybersecurity devices, programs or sys-  
18 tems designed to protect computer, information technology or  
19 communications systems against threat or attack, including but not limited  
20 to:

21 “(a) Records pertaining to devices, programs or systems that depend for  
22 their effectiveness in whole or part upon a lack of public knowledge; and

23 “(b) Contractual records or insurance records that set forth cybersecurity  
24 specifications, insurance application and coverage details.

25 “(48) Sensitive business, commercial or financial information, that is not  
26 customarily provided to business competitors, that is furnished to or devel-  
27 oped by the Oregon Prescription Drug Program in connection with purchas-  
28 ing prescription drugs or contracting for the services of a pharmacy benefit  
29 manager or pharmacy networks pursuant to ORS 414.312.

30 **SECTION 7.** ORS 196.635 is amended to read:

1 “196.635. (1) The provisions of ORS 196.600 to 196.655 shall be carried out  
2 by the Director of the Department of State Lands. The Department of State  
3 Lands shall solicit, but not be bound by, comments from the State Depart-  
4 ment of Fish and Wildlife, Department of Transportation, Department of  
5 Land Conservation and Development, Department of Environmental Quality,  
6 [*Oregon Business Development Department*] **Oregon Department of Com-**  
7 **merce and Trade**, federal natural resources and regulatory agencies, af-  
8 fected local governments and special districts, conservation organizations  
9 and other interested parties. All comments shall be in writing and provided  
10 to the Department of State Lands and mitigation bank sponsor within 30  
11 days of solicitation by the Department of State Lands. If comments are not  
12 received by the Department of State Lands from a state agency or from an  
13 affected local government or special district within 30 days of solicitation,  
14 the director shall assume that the state agency, local government or special  
15 district does not desire to provide comments.

16 “(2) In cooperation with the parties in subsection (1) of this section, the  
17 director, in consultation with the State Land Board, shall:

18 “(a) Review opportunities for inclusion of appropriate wetlands in the  
19 Statewide Comprehensive Outdoor Recreation Plan.

20 “(b) Develop and recommend a wetlands priority plan for inclusion in the  
21 Statewide Comprehensive Outdoor Recreation Plan. The wetlands priority  
22 plan shall be complementary to the purposes and programs under ORS  
23 196.600 to 196.655.

24 “(3) The director shall confer with the Oregon Watershed Enhancement  
25 Board to develop criteria to certify watershed enhancement projects as mit-  
26 igation banks.

27 **“SECTION 8.** ORS 197.470 is amended to read:

28 “197.470. (1) The Community Green Infrastructure Grant Program is es-  
29 tablished as a program administered by the Department of Land Conserva-  
30 tion and Development for the purpose of awarding grants for:



1 “(a) Offsetting the cost of planning and developing community green  
2 infrastructure projects or green infrastructure economic development  
3 projects;

4 “(b) Developing or supporting native seed banks or native plant nurseries;  
5 or

6 “(c) Supporting and implementing green infrastructure master plans.

7 “(2) The Department of Land Conservation and Development may enter  
8 into intergovernmental agreements under ORS chapter 190 with the Oregon  
9 Health Authority, the [*Oregon Business Development Department*] **Oregon**  
10 **Department of Commerce and Trade**, the Bureau of Labor and Industries,  
11 the State Department of Agriculture, the Oregon Watershed Enhancement  
12 Board, the Department of Environmental Quality, the State Parks and Re-  
13 creation Department or an Indian tribe for the purposes of assistance with:

14 “(a) The design and implementation of the Community Green  
15 Infrastructure Grant Program;

16 “(b) Readiness to acquire and administer federal funding related to green  
17 infrastructure projects; or

18 “(c) Technical advice or feedback on the grant review process established  
19 under this section.

20 “(3) The Department of Land Conservation and Development shall enter  
21 into an intergovernmental agreement under ORS chapter 190 with the State  
22 Forestry Department for the purposes of assistance with:

23 “(a) The design and implementation of the Community Green  
24 Infrastructure Grant Program;

25 “(b) Readiness to acquire and administer federal funding related to green  
26 infrastructure projects; and

27 “(c) Technical advice or feedback on the grant review process established  
28 under this section.

29 “(4) The Department of Land Conservation and Development shall enter  
30 into an intergovernmental agreement under ORS chapter 190 with the De-

1 department of Transportation for the purposes of assistance with:

2 “(a) Technical advice regarding state transportation facilities and rights  
3 of way as they relate to the design and implementation of the Community  
4 Green Infrastructure Grant Program;

5 “(b) Readiness to acquire and administer federal funding related to green  
6 infrastructure projects; and

7 “(c) Technical advice or feedback on the grant review process established  
8 under this section.

9 “(5)(a) A public body, a local workforce development board as defined in  
10 ORS 660.300, a manufactured dwelling park nonprofit cooperative as defined  
11 in ORS 62.803, an Indian tribe, a watershed council as defined in ORS  
12 541.890, a nonprofit organization or a faith-based organization may apply for  
13 a grant under this section for the purpose of planning or developing a com-  
14 munity green infrastructure project or a green infrastructure economic de-  
15 velopment project.

16 “(b) An applicant for a grant for a community green infrastructure project  
17 or a green infrastructure economic development project may partner with a  
18 state agency, a private business with a business site in this state or an owner  
19 of rental property in this state.

20 “(c) A grant for an approved application for a community green  
21 infrastructure project or a green infrastructure economic development  
22 project will be awarded and released only to an applicant described in par-  
23 agraph (a) of this subsection.

24 “(d)(A) An application for a community green infrastructure project or a  
25 green infrastructure economic development project must be drafted in con-  
26 sultation with the government of the city or county in which the project will  
27 be located and with the electric and water utilities in whose service territory  
28 the project will be located.

29 “(B) An application must include documentation of the consultations de-  
30 scribed in this paragraph and demonstrate that feedback received as a result

1 of consultation was incorporated into the application materials. If the ap-  
2 plication does not incorporate feedback from a consulted party into the ap-  
3 plication, the applicant must provide an explanation of why the feedback was  
4 not incorporated or provide a statement that no feedback was received from  
5 that party.

6 “(6)(a) An application for a grant under this section shall be in the form  
7 and manner prescribed by the Department of Land Conservation and Devel-  
8 opment.

9 “(b) An application for a grant to plan or develop a community green  
10 infrastructure project or a green infrastructure economic development  
11 project must demonstrate that the project:

12 “(A) Is located in this state;

13 “(B) Provides social, environmental or economic benefits to an environ-  
14 mental justice community;

15 “(C) Except for projects developed by an Indian tribe, has been or will  
16 be developed in coordination with an environmental justice community that  
17 will benefit from the completion of the project; and

18 “(D) Has a plan for the maintenance of the project for at least three years  
19 or has requested technical assistance for maintenance planning.

20 “(c) An application for a grant for a native seed bank or native plant  
21 nursery must demonstrate that the applicant qualifies as a native seed bank  
22 or a native plant nursery.

23 “(d) An application for a grant for a green infrastructure master plan  
24 must demonstrate how the long-term plan of the public body or tribal gov-  
25 ernment involves the creation, protection or enhancement of green  
26 infrastructure.

27 “(7) Upon receipt of an application submitted under this section, the De-  
28 partment of Land Conservation and Development shall review the application  
29 and determine whether the applicant is eligible to receive a grant from the  
30 Community Green Infrastructure Grant Program. The department may award

1 grants based on the prioritizations established under subsection (8) of this  
2 section. If the department denies a grant application, the department shall  
3 provide the reason for the denial in writing.

4 “(8) In awarding grants under the Community Green Infrastructure Grant  
5 Program, the Department of Land Conservation and Development may give  
6 priority to projects:

7 “(a) Involving large, low-maintenance, storm- and drought-resistant tree  
8 plantings;

9 “(b) Involving plantings that include native plants or pollinator-friendly  
10 species;

11 “(c) Involving tree plantings at or near school campuses, affordable  
12 housing, senior housing, manufactured dwelling parks, recreational vehicle  
13 parks or public rights of way;

14 “(d) That strengthen communities and fight displacement;

15 “(e) That develop innovative solutions for using urban woody biomass;

16 “(f) That are carried out by a city that has adopted a plan to increase  
17 urban tree canopy cover and has entered into a long-term agreement with  
18 an Oregon nursery to supply trees needed to carry out the plan; or

19 “(g) That utilize a community’s cultural practices to educate, and con-  
20 serve and manage resources for, future generations.

21 “(9) To the maximum extent possible, community green infrastructure  
22 projects and green infrastructure economic development projects shall:

23 “(a) Minimize the vehicle miles traveled associated with all plant and tree  
24 stocks utilized in the project;

25 “(b) Include partnerships with green communities nurseries or nurseries  
26 defined in ORS 197.469 (11)(b);

27 “(c) Utilize native plant stock that is grown from native seed banks or  
28 native seed recovery and planting efforts; and

29 “(d) Utilize climate-adaptive plant stock that is regionally native, drought  
30 and disease tolerant and noninvasive.

1 “(10) To the maximum extent possible, community green infrastructure  
2 projects and green infrastructure economic development projects that occur  
3 on school campuses shall incorporate a curriculum or demonstration compo-  
4 nent to connect students to the project and provide education about:

5 “(a) Green infrastructure;

6 “(b) Careers in green infrastructure; and

7 “(c) Cultural practices to educate, and conserve and manage resources for,  
8 future generations.

9 **“SECTION 9.** ORS 197.638 is amended to read:

10 “197.638. (1) Upon request of the Department of Land Conservation and  
11 Development, the [*Oregon Business Development Department*] **Oregon De-**  
12 **partment of Commerce and Trade** shall review the inventory and analysis  
13 of industrial and commercial land, and measures taken to address the land  
14 needs, required of certain local governments under ORS 197.712. The review  
15 shall address the likely effect of measures developed by a local government  
16 on the adequacy of the supply of sites and opportunities to satisfy needs  
17 identified under ORS 197.712.

18 “(2) The Land Conservation and Development Commission and the Direc-  
19 tor of the Department of Land Conservation and Development shall consider  
20 the review and any recommendations of the [*Oregon Business Development*  
21 *Department*] **Oregon Department of Commerce and Trade** when deter-  
22 mining whether a local government has complied with the statewide land use  
23 planning goals and the requirements of ORS 197.712.

24 **“SECTION 10.** ORS 197.717 is amended to read:

25 “197.717. (1) State agencies shall provide technical assistance to local  
26 governments in:

27 “(a) Planning and zoning land adequate in amount, size, topography,  
28 transportation access and surrounding land use and public facilities for the  
29 special needs of various industrial and commercial uses;

30 “(b) Developing public facility plans; and

1 “(c) Streamlining local permit procedures.

2 “(2) The [*Oregon Business Development Department*] **Oregon Department**  
3 **of Commerce and Trade** shall provide a local government with ‘state and  
4 national trend’ information to assist in compliance with ORS 197.712 (2)(a).

5 “(3) The Land Conservation and Development Commission shall develop  
6 model ordinances to assist local governments in streamlining local permit  
7 procedures.

8 “(4) The Department of Land Conservation and Development and the  
9 [*Oregon Business Development Department*] **Oregon Department of Com-**  
10 **merce and Trade** shall establish a joint program to assist rural communi-  
11 ties with economic and community development services. The assistance  
12 shall include, but not be limited to, grants, loans, model ordinances and  
13 technical assistance. The purposes of the assistance are to remove obstacles  
14 to economic and community development and to facilitate that development.  
15 The departments shall give priority to communities with high rates of un-  
16 employment.

17 **“SECTION 11.** ORS 197.723 is amended to read:

18 “197.723. (1) Within three years after June 28, 2011, in cooperation with  
19 local governments and private industry, the Economic Recovery Review  
20 Council, by rule, shall designate at least five and not more than 15 regionally  
21 significant industrial areas. The council shall base the designation of re-  
22 gionally significant industrial areas on the criteria in the definition of ‘re-  
23 gionally significant industrial area’ and the judgment of the council  
24 concerning the relative importance of the areas in terms of potential, long-  
25 term job creation.

26 “(2) A local government may nominate a regionally significant industrial  
27 area for designation by the council.

28 “(3) An area containing multiple sites certified by the [*Oregon Business*  
29 *Development Department*] **Oregon Department of Commerce and Trade**  
30 as ready for development within six months or less is eligible for designation

1 by the council if the area is a regionally significant industrial area.

2 “(4) In addition to demonstrating compliance with other provisions of law,  
3 including, but not limited to, a statewide land use planning goal concerning  
4 economic development and rules implementing the goal, the future employ-  
5 ment potential of a regionally significant industrial area shall be protected  
6 from conflicting development in the following ways:

7 “(a) A local government may not adopt a provision of a comprehensive  
8 plan or land use regulation that prevents industrial uses within the area.

9 “(b) A local government may not adopt a provision of a comprehensive  
10 plan or land use regulation that allows new nonindustrial uses within the  
11 area that conflict with existing or planned industrial uses.

12 “(c) A local government may not decrease the land area planned or zoned  
13 for industrial uses within the regionally significant industrial area.

14 “(d) A local government may adopt a provision of a comprehensive plan  
15 or land use regulation, including development standards or overlay zones,  
16 that restricts the type or extent of current or future industrial uses within  
17 the area, but only if the local government mitigates at the same time the  
18 effect of the new provision by:

19 “(A) Clearly maintaining or increasing the industrial employment poten-  
20 tial of the area; and

21 “(B) Clearly maintaining the important site characteristics and functions  
22 that led to the designation of the site as a regionally significant industrial  
23 area.

24 “(5) Subsection (4) of this section does not apply to a provision of a  
25 comprehensive plan or land use regulation that is necessary:

26 “(a) To protect public health or safety; or

27 “(b) To implement federal law.

28 “(6) If 50 percent of the developable land within a regionally significant  
29 industrial area has not been developed within 10 years after designation of  
30 the area, the council shall remove the designation, unless landowners repre-

1 sending a majority of the land within the area request that the designation  
2 be continued.

3 “(7) Within a regionally significant industrial area, a new industrial use  
4 or the expansion of an existing industrial use is eligible for an expedited  
5 industrial land use permit issued under ORS 197.724 if the new or expanded  
6 use does not require a change to the acknowledged comprehensive plan or  
7 land use regulations.

8 “(8) In addition to other criteria for distribution of available funds, the  
9 Oregon Infrastructure Finance Authority and the Oregon Transportation  
10 Commission may consider the designation of an area as a regionally signif-  
11 icant industrial area in prioritizing funding for transportation and other  
12 public infrastructure.

13 “(9) ORS 197.722 to 197.728 do not apply to land in the Willamette River  
14 Greenway Plan boundary between river mile 1 and river mile 11.

15 **“SECTION 12.** ORS 200.005 is amended to read:

16 “200.005. As used in ORS 200.005 to 200.075, 200.110, 200.120, 200.160 to  
17 200.200 and 279A.105:

18 “(1) ‘Contracting agency’ has the meaning given that term in ORS  
19 279A.010.

20 “(2) ‘Contractor’ means a person that agrees to legally enforceable terms  
21 and conditions under which the person performs services or supplies materi-  
22 als in accordance with a contracting agency’s specifications and for the  
23 purpose of accomplishing results the contracting agency intends, while re-  
24 taining control of the means, methods and manner of performing the services  
25 or supplying the materials.

26 “(3) ‘Disadvantaged business enterprise’ means a small business concern:

27 “(a) At least 51 percent of which one or more socially and economically  
28 disadvantaged individuals own; or

29 “(b) At least 51 percent of the stock of which, if the small business con-  
30 cern is a corporation, is owned by one or more economically disadvantaged



1 individuals who also control and manage the daily business operations of the  
2 small business concern.

3 “(4) ‘Economically disadvantaged individual’ means a socially disadvan-  
4 tagged individual for whom diminished capital and credit opportunities have  
5 impaired the individual’s ability to compete in the free enterprise system as  
6 compared to other individuals in the same business area who are not socially  
7 disadvantaged individuals.

8 “(5) ‘Emerging small business’ means an independent business concern  
9 that:

10 “(a) Has a principal place of business located in this state;

11 “(b) Qualifies as a tier one firm or a tier two firm;

12 “(c) Is properly licensed and legally registered in this state; and

13 “(d) Is not a subsidiary or parent company that belongs to a group of  
14 firms that the same individuals own or control if, in the aggregate, the group  
15 of firms does not qualify as a tier one firm or a tier two firm.

16 “(6) ‘Minority individual’ means an individual who is a citizen or lawful  
17 permanent resident of the United States and is:

18 “(a) African American, having origins in any of the original peoples of  
19 Africa;

20 “(b) Hispanic, having Mexican, Puerto Rican, Cuban, Central or South  
21 American or other Spanish culture or origin, regardless of race;

22 “(c) Asian American, having origins in any of the original peoples of East  
23 Asia, Southeast Asia, the Indian subcontinent or the Pacific Islands;

24 “(d) Portuguese, having Portuguese, Brazilian or other Portuguese culture  
25 or origin, regardless of race;

26 “(e) American Indian or Alaska Native, having origins in any of the ori-  
27 ginal peoples of North America; or

28 “(f) Any other individual or member of another group that the Certifica-  
29 tion Office for Business Inclusion and Diversity determines is socially and  
30 economically disadvantaged.

1 “(7) ‘Minority-owned business,’ ‘woman-owned business’ or ‘veteran-owned  
2 business’ means, as appropriate, a small business concern:

3 “(a) At least 51 percent of which one or more minority individuals, women  
4 or veterans own and control; or

5 “(b) At least 51 percent of the stock of which, if the small business con-  
6 cern is a corporation, is owned by one or more minority individuals, women  
7 or veterans who also control and manage the daily business operations of the  
8 small business concern.

9 “(8) ‘Responsible bidder or proposer’ means a bidder or proposer that the  
10 Governor’s Policy Advisor for Economic and Business Equity determines has  
11 undertaken both a policy and practice of actively pursuing participation by  
12 minority-owned businesses, woman-owned businesses, veteran-owned busi-  
13 nesses or emerging small businesses in all of the bidder’s or proposer’s bids  
14 or proposals, both public and private.

15 “(9) ‘Small business concern’ means a small business, as defined by the  
16 United States Small Business Administration in 13 C.F.R. part 121, as in ef-  
17 fect on January 1, 2016.

18 “(10) ‘Socially disadvantaged individual’ means an individual who has  
19 been subjected to racial or ethnic prejudice or cultural bias, without regard  
20 to individual qualities, because of the individual’s identity as a member of  
21 a group.

22 “(11) ‘State contracting agency’ has the meaning given that term in ORS  
23 279A.010.

24 “(12) ‘Subcontractor’ means a contractor that does not have a direct  
25 contractual relationship with a contracting agency.

26 “(13) ‘Tier one firm’ means a business that employs not more than 19  
27 full-time equivalent employees and has average annual gross receipts for the  
28 last three years that do not exceed an amount that the [*Oregon Business*  
29 *Development Department*] **Oregon Department of Commerce and Trade**  
30 specifies by rule.

1 “(14) ‘Tier two firm’ means a business that employs not more than 29  
2 full-time equivalent employees and has average annual gross receipts for the  
3 last three years that do not exceed an amount that the [*Oregon Business*  
4 *Development Department*] **Oregon Department of Commerce and Trade**  
5 specifies by rule.

6 “(15)(a) ‘Veteran’ means an individual who:

7 “(A) Served on active duty with the Armed Forces of the United States:

8 “(i) For a period of more than 90 consecutive days beginning on or before  
9 January 31, 1955, and was discharged or released under honorable conditions;

10 “(ii) For a period of more than 178 consecutive days beginning after  
11 January 31, 1955, and was discharged or released from active duty under  
12 honorable conditions;

13 “(iii) For 178 days or less and was discharged or released from active duty  
14 under honorable conditions because of a service-connected disability;

15 “(iv) For 178 days or less and was discharged or released from active duty  
16 under honorable conditions and has a disability rating from the United  
17 States Department of Veterans Affairs; or

18 “(v) For at least one day in a combat zone and was discharged or released  
19 from active duty under honorable conditions;

20 “(B) Received a combat or campaign ribbon or an expeditionary medal for  
21 service in the Armed Forces of the United States and was discharged or re-  
22 leased from active duty under honorable conditions;

23 “(C) Is receiving a nonservice-connected pension from the United States  
24 Department of Veterans Affairs;

25 “(D) Is a disabled veteran, as defined in ORS 408.225; or

26 “(E) Has been a reserve officer or member of a National Guard unit for  
27 at least five years before the individual seeks a certification under ORS  
28 200.055.

29 “(b) As used in paragraph (a) of this subsection, ‘active duty’ does not  
30 include attendance at a school under military orders, except schooling inci-

1 dent to an active enlistment or a regular tour of duty, or normal military  
2 training as a reserve officer or member of an organized reserve or a National  
3 Guard unit.

4 “(16) ‘Woman’ means a person of the female gender who is a citizen or  
5 lawful permanent resident of the United States.

6 **“SECTION 13.** ORS 200.025 is amended to read:

7 “200.025. (1) The Governor shall appoint a Governor’s Policy Advisor for  
8 Economic and Business Equity within the office of the Governor.

9 “(2) The Certification Office for Business Inclusion and Diversity is cre-  
10 ated within the [*Oregon Business Development Department*] **Oregon De-**  
11 **partment of Commerce and Trade**, and the Director of the [*Oregon*  
12 *Business Development Department*] **Oregon Department of Commerce and**  
13 **Trade** shall appoint the employees of the office.

14 “(3) The Governor’s Policy Advisor for Economic and Business Equity  
15 shall:

16 “(a) Advise the Governor and the director on activities and initiatives  
17 that may promote the economic integration of minorities, women, veterans  
18 and emerging small businesses into the business sector;

19 “(b) Prepare an annual report to the Governor, director and Legislative  
20 Assembly on disadvantaged business enterprises, minority-owned businesses,  
21 woman-owned businesses, veteran-owned businesses and emerging small  
22 businesses that examines:

23 “(A) The status of the enterprises and businesses in the marketplace;

24 “(B) Accomplishments and resolutions that have occurred with respect to  
25 issues that concern the enterprises and businesses; and

26 “(C) Recommendations for executive and legislative action; and

27 “(c) Carry out other duties that the Governor may assign.

28 “(4) The Certification Office for Business Inclusion and Diversity shall:

29 “(a) Provide information to minority-owned businesses, woman-owned  
30 businesses, veteran-owned businesses and emerging small businesses;

1 “(b) Assist in developing and implementing an aggressive strategy for this  
2 state, based on research and monitoring, that encourages minorities, women,  
3 veterans and emerging small businesses to participate in the state’s economy;

4 “(c) Recommend to the director methods for researching, developing and  
5 implementing a plan to involve minority-owned businesses, woman-owned  
6 businesses, veteran-owned businesses and emerging small businesses in all  
7 state programs;

8 “(d) Maintain, in consultation with the Department of Transportation,  
9 public universities listed in ORS 352.002 and other entities, an Oregon Op-  
10 portunity Register and Clearinghouse for information about contracting  
11 agency solicitations and other opportunities to submit bids or proposals to  
12 contracting agencies to provide goods, supplies and services, including pro-  
13 fessional services;

14 “(e) Monitor the certification and compliance program under ORS 200.055  
15 for:

16 “(A) Disadvantaged business enterprises;

17 “(B) Minority-owned businesses, woman-owned businesses and veteran-  
18 owned businesses; and

19 “(C) Emerging small businesses;

20 “(f) Investigate complaints and possible abuses of the certification pro-  
21 gram; and

22 “(g) Assist in promoting and coordinating plans, programs and operations  
23 of state government that help minority-owned businesses, woman-owned  
24 businesses, veteran-owned businesses and emerging small businesses to par-  
25 ticipate in the economic life of this state.

26 “**SECTION 14.** ORS 200.055 is amended to read:

27 “200.055. (1)(a) An enterprise or business may apply to the Certification  
28 Office for Business Inclusion and Diversity for certification as:

29 “(A) A disadvantaged business enterprise;

30 “(B) A minority-owned business;

1 “(C) A woman-owned business;

2 “(D) A veteran-owned business; or

3 “(E) An emerging small business.

4 “(b) An enterprise or business shall submit a separate application for each  
5 category of certification the enterprise or business seeks under paragraph (a)  
6 of this subsection.

7 “(c) If an enterprise or business qualifies under ORS 200.005 to 200.075  
8 and if the office approves an application from the enterprise or business, the  
9 office shall certify the enterprise or business under one or more of the cat-  
10 egories described in paragraph (a) of this subsection.

11 “(d) For purposes of awarding a public contract, a contracting agency  
12 shall recognize an enterprise or business with a certification from the office  
13 as the category of enterprise or business described in the certification and  
14 as having met the requirements set forth in ORS 200.005 to 200.075. For  
15 purposes of awarding a subcontract in connection with a public contract, a  
16 contractor may recognize a subcontractor with a certification from the office  
17 as the category of enterprise or business described in the certification and  
18 as having met the requirements set forth in ORS 200.005 to 200.075.

19 “(2) In consultation with public universities listed in ORS 352.002 and the  
20 Department of Transportation, and with the approval of the Governor’s Pol-  
21 icy Advisor for Economic and Business Equity, the [*Oregon Business Devel-*  
22 *opment Department*] **Oregon Department of Commerce and Trade** by rule  
23 shall adopt a uniform standard form and procedure to provide complete doc-  
24 umentation of an enterprise’s or a business’ status as a disadvantaged busi-  
25 ness enterprise, a minority-owned business, a woman-owned business, a  
26 veteran-owned business or an emerging small business. The department shall  
27 compile and make available a list of enterprises and businesses that the  
28 Certification Office for Business Inclusion and Diversity certifies under this  
29 section.

30 “(3) If the Certification Office for Business Inclusion and Diversity denies

1 a certification as, or decertifies, a disadvantaged business enterprise, an af-  
2 fected business enterprise may appeal directly to the United States Depart-  
3 ment of Transportation.

4 “(4) If the Certification Office for Business Inclusion and Diversity de-  
5 nies, revokes or refuses to renew a business’s certification as a minority-  
6 owned business, a woman-owned business, a veteran-owned business or an  
7 emerging small business, the business may request a contested case hearing  
8 as provided in ORS chapter 183.

9 “(5) The [*Oregon Business Development Department*] **Oregon Department**  
10 **of Commerce and Trade**, through the Certification Office for Business  
11 Inclusion and Diversity, is the sole agency that may certify enterprises and  
12 businesses as disadvantaged business enterprises, minority-owned businesses,  
13 woman-owned businesses, veteran-owned businesses and emerging small  
14 businesses that are eligible to perform public contracts in this state.

15 “(6) The [*Oregon Business Development Department*] **Oregon Department**  
16 **of Commerce and Trade** by rule may establish a fee not to exceed \$100 for  
17 a copy of the list described in subsection (2) of this section and may assess  
18 contracting agencies for services under ORS 200.005 to 200.075.

19 “(7) The Department of Transportation may collect a fee, not to exceed  
20 \$200, from a bidder or proposer at the time the bidder or proposer prequali-  
21 fies to perform public contracts to cover the costs of the [*Oregon Business*  
22 *Development Department*] **Oregon Department of Commerce and Trade** in  
23 administering ORS 200.005 to 200.075. The Department of Transportation  
24 shall transfer fees that the Department of Transportation collects under this  
25 subsection to the credit of the account established under subsection (8) of  
26 this section.

27 “(8) The [*Oregon Business Development Department*] **Oregon Department**  
28 **of Commerce and Trade** shall establish a special account in which to de-  
29 posit fees and assessments. The special account is continuously appropriated  
30 to the [*Oregon Business Development Department*] **Oregon Department of**

1 **Commerce and Trade** to meet the [*Oregon Business Development*  
2 *Department's*] **Oregon Department of Commerce and Trade's** expenses in  
3 administering ORS 200.005 to 200.075.

4 **SECTION 15.** ORS 200.057 is amended to read:

5 “200.057. (1) A business may be certified as an emerging small business  
6 by the [*Oregon Business Development Department*] **Oregon Department of**  
7 **Commerce and Trade** for up to 12 years and may be:

8 “(a) Designated a tier one firm for up to six years unless the business no  
9 longer qualifies as a tier one firm.

10 “(b) Designated a tier two firm for up to six years unless the business no  
11 longer qualifies as a tier two firm.

12 “(2) The department shall adjust annually the amount of the average an-  
13 nual gross receipts required to qualify as a tier one firm or a tier two firm  
14 using the most recent three-year average of the Consumer Price Index for  
15 All Urban Consumers, West Region (All Items), as published by the Bureau  
16 of Labor Statistics of the United States Department of Labor.

17 “(3) Notwithstanding the time limits established by subsection (1) of this  
18 section, if a tier one firm provides compelling information showing, in the  
19 judgment of the department, that the firm has not been afforded an oppor-  
20 tunity to bid on emerging small business projects during a year of eligibility,  
21 the department shall extend the tier one designation of the firm for one year.  
22 A tier one firm may receive the extension described in this subsection only  
23 once.

24 **SECTION 16.** ORS 200.065 is amended to read:

25 “200.065. (1) A person may not fraudulently obtain or retain, attempt to  
26 fraudulently obtain or retain or aid another person in fraudulently obtaining  
27 or retaining or attempting to fraudulently obtain or retain certification as  
28 a disadvantaged business enterprise, a minority-owned business, a woman-  
29 owned business, a veteran-owned business or an emerging small business.

30 “(2) A person may not knowingly make a false claim that any person is



1 qualified for certification or is certified under ORS 200.055 for the purpose  
2 of obtaining a public contract or subcontract or other benefit.

3 “(3) An affected contracting agency may withhold payment, may suspend  
4 or terminate a public contract and may impose on any person a civil penalty  
5 that does not exceed 10 percent of the contract or subcontract price or \$5,000,  
6 whichever is less, for each violation of subsection (1) or (2) of this section.  
7 The person shall pay the penalty to the affected contracting agency. If the  
8 affected contracting agency does not impose a civil penalty on the person  
9 under this subsection, the [*Oregon Business Development Department*]  
10 **Oregon Department of Commerce and Trade** may independently impose  
11 a civil penalty that does not exceed \$5,000 for each violation of subsection  
12 (1) or (2) of this section. The person shall pay a penalty that the department  
13 imposes to the Certification Office for Business Inclusion and Diversity.

14 “(4) The department or an affected contracting agency shall investigate  
15 violations of subsection (1) or (2) of this section. In investigating a vio-  
16 lation, the department or an affected contracting agency may require any  
17 additional information, administer oaths, take depositions and issue  
18 subpoenas to compel witnesses to attend and compel the production of books,  
19 papers, records, memoranda or other information necessary to carry out the  
20 department’s or the affected contracting agency’s duties. If a person fails to  
21 comply with any subpoena that the department or the affected contracting  
22 agency issued under this subsection or refuses to testify on any matter on  
23 which a person may lawfully be interrogated, the department or the affected  
24 contracting agency shall follow the procedure provided in ORS 183.440 to  
25 compel compliance.

26 “(5) The department or an affected contracting agency may disqualify  
27 from submitting a bid or proposal or receiving an award of a public contract,  
28 for a period of not more than three years, any person that under oath during  
29 the course of an investigation admits to violating subsection (1) or (2) of this  
30 section or that the department or the affected contracting agency finds to

1 have violated subsection (1) or (2) of this section. Any contracting agency  
2 that has notice of the finding of the fraudulent certification may also dis-  
3 qualify the person from bidding on or participating in any public contract.

4 **“SECTION 17.** ORS 200.075 is amended to read:

5 “200.075. (1) An affected contracting agency shall suspend any bidder’s,  
6 proposer’s, contractor’s or subcontractor’s right to submit a bid or proposal  
7 for, or receive an award of, a public contract in the future if the bidder,  
8 proposer, contractor or subcontractor knowingly commits any of the acts  
9 listed in this subsection. The affected contracting agency shall suspend the  
10 right only after providing notice and opportunity for hearing in a manner  
11 that the affected contracting agency provides by rule. The affected con-  
12 tracting agency shall specify a time for the suspension that is up to one year  
13 for a first violation, up to three years for a second violation and up to five  
14 years for a third violation. Each violation must remain on record for five  
15 years. After five years the affected contracting agency may not consider the  
16 violation in reviewing future violations. A bidder, proposer, contractor or  
17 subcontractor may not:

18 “(a) Enter into any agreement to represent that a disadvantaged business  
19 enterprise, a minority-owned business, a woman-owned business, a veteran-  
20 owned business or an emerging small business certified under ORS 200.055  
21 will perform work or supply materials under a public contract without the  
22 knowledge and consent of the disadvantaged business enterprise, minority-  
23 owned business, woman-owned business, veteran-owned business or emerging  
24 small business.

25 “(b) Exercise or permit another bidder, proposer, contractor or subcon-  
26 tractor to exercise management and decision making control over the inter-  
27 nal operations of a disadvantaged business enterprise, a minority-owned  
28 business, a woman-owned business, a veteran-owned business or an emerging  
29 small business, other than the bidder’s, proposer’s, contractor’s or  
30 subcontractor’s own enterprise or business. As used in this paragraph,

1 'internal operations' does not include normal scheduling, coordination, exe-  
2 cution or performance as a subcontractor on a public contract.

3 "(c) Use a disadvantaged business enterprise, a minority-owned business,  
4 a woman-owned business, a veteran-owned business or an emerging small  
5 business to perform a public contract or subcontract or to supply material  
6 under a public contract to meet an established goal or requirement if the  
7 disadvantaged business enterprise, minority-owned business, woman-owned  
8 business, veteran-owned business or emerging small business does not per-  
9 form a commercially useful function in carrying out responsibilities and ob-  
10 ligations under the public contract.

11 "(d) Fail to perform a commercially useful function in performing a public  
12 contract or subcontract or in supplying material to a contractor or subcon-  
13 tractor that is performing a public contract or subcontract if the bidder,  
14 proposer, contractor or subcontractor is presented as a certified disadvan-  
15 taged business enterprise, minority-owned business, woman-owned business,  
16 veteran-owned business or emerging small business to meet an established  
17 goal or requirement.

18 "(2) The Certification Office for Business Inclusion and Diversity shall  
19 revoke an enterprise's or a business's certification under ORS 200.055 as a  
20 disadvantaged business enterprise, a minority-owned business, a woman-  
21 owned business, a veteran-owned business or an emerging small business if,  
22 after conducting an investigation in a manner similar to the manner pro-  
23 vided in ORS 200.065 (4) for investigating a violation of ORS 200.065 (1) or  
24 (2), the [*Oregon Business Development Department*] **Oregon Department of**  
25 **Commerce and Trade** finds that the enterprise or business allows or com-  
26 mits any of the acts listed in this subsection. A disadvantaged business en-  
27 terprise, a minority-owned business, a woman-owned business, a  
28 veteran-owned business or an emerging small business may not:

29 "(a) Use the enterprise's or business's name to meet a goal or requirement  
30 for disadvantaged business enterprises, minority-owned businesses, woman-

1 owned businesses, veteran-owned businesses or emerging small businesses to  
2 participate in a public contract or subcontract if the enterprise or business  
3 does not in fact intend to or does not actually perform work under the public  
4 contract or subcontract or does not intend to or does not purchase and sup-  
5 ply material under a public contract or subcontract to supply material.

6 “(b) Use personnel of an uncertified enterprise or business to operate,  
7 manage or otherwise control the disadvantaged business enterprise,  
8 minority-owned business, woman-owned business, veteran-owned business or  
9 emerging small business.

10 “(c) Exhibit a pattern of failing to perform a commercially useful function  
11 in performing a public contract or subcontract or supplying material to a  
12 contractor or subcontractor on a public contract if the enterprise or business  
13 is represented as a disadvantaged business enterprise, a minority-owned  
14 business, a woman-owned business, a veteran-owned business or an emerging  
15 small business certified under ORS 200.055 for the purpose of meeting an  
16 established goal or requirement.

17 “(3)(a) An affected contracting agency shall notify the department if the  
18 affected contracting agency investigates a disadvantaged business enterprise,  
19 a minority-owned business, a woman-owned business, a veteran-owned busi-  
20 ness or an emerging small business for failing to perform a commercially  
21 useful function.

22 “(b) The department may conduct an independent investigation of a dis-  
23 advantaged business enterprise, a minority-owned business, a woman-owned  
24 business, a veteran-owned business or an emerging small business for exhib-  
25 iting a pattern of failing to perform a commercially useful function in re-  
26 sponse to notifications from one or more affected contracting agencies under  
27 paragraph (a) of this subsection.

28 “(4) As used in this section, ‘commercially useful function’:

29 “(a) Means a function or service:

30 “(A) That the enterprise or business actually performs;

1 “(B) For which a demand exists in the marketplace; and

2 “(C) For which the enterprise or business receives payment that is  
3 proportionate to the work that the enterprise or business performs or that  
4 conforms with industry standards.

5 “(b) Does not include acting as a broker to provide for others to perform  
6 work.

7 **“SECTION 18.** ORS 200.110 is amended to read:

8 “200.110. (1) The [*Oregon Business Development Department*] **Oregon De-**  
9 **partment of Commerce and Trade** may recognize a mentor relationship  
10 between contractors and disadvantaged business enterprises, minority-owned  
11 businesses, woman-owned businesses, veteran-owned businesses and emerging  
12 small businesses that are certified under ORS 200.055. In order to qualify for  
13 the department’s recognition, the mentor relationship must offer the oppor-  
14 tunity for the contractor to foster and encourage disadvantaged business  
15 enterprises, minority-owned businesses, woman-owned businesses, veteran-  
16 owned businesses and emerging small businesses to expand the capacity of  
17 existing enterprises and businesses and to offer the opportunity for less ex-  
18 periented enterprises and businesses to gain training and assistance.

19 “(2) To have the department recognize the mentor relationship described  
20 in subsection (1) of this section, a disadvantaged business enterprise, a  
21 minority-owned business, a woman-owned business, a veteran-owned business  
22 or an emerging small business must follow guidelines that include, but are  
23 not limited to:

24 “(a) Meeting the certification requirements of the U.S. Department of  
25 Transportation or ORS 200.055. The Certification Office for Business Inclu-  
26 sion and Diversity may approve an application for certification under ORS  
27 200.055 at the same time the department approves a mentor arrangement.

28 “(b) Remaining independent from the contractor and maintaining a mi-  
29 nority individual’s, woman’s or veteran’s actual ownership of the enterprise  
30 or business. A minority individual, woman or veteran who owns the enter-

1 prise or business may have other employment and business interests if the  
2 employment or business interests do not conflict with the minority  
3 individual's, woman's or veteran's power to direct the management and pol-  
4 icies of the disadvantaged business enterprise, minority-owned business,  
5 woman-owned business, veteran-owned business or emerging small business  
6 and to make day-to-day and major decisions on matters of management, pol-  
7 icy and operations. A contractor may provide facilities to the enterprise or  
8 business if the contractor and the enterprise or business maintain a separate  
9 lease agreement.

10 “(c) Complying with 49 C.F.R. 26 as to an individual's or entity's part  
11 ownership in a disadvantaged business enterprise, a minority-owned business,  
12 a woman-owned business, a veteran-owned business or an emerging small  
13 business if the individual or entity is not certified under ORS 200.055. The  
14 enterprise or business shall report any property, equipment, supplies or other  
15 services that the enterprise or business buys, rents or receives as a donation  
16 and any investment that an individual or entity makes in the enterprise or  
17 business if the individual or entity is not certified under ORS 200.055. The  
18 report must include bills of sale, lease agreements or similar documents.

19 “(3) A mentor relationship may include an arrangement with an inde-  
20 pendent third party, such as a bank or accountant, to act as an agent. A  
21 third party may receive progress payments for work that a disadvantaged  
22 business enterprise, a minority-owned business, a woman-owned business, a  
23 veteran-owned business or an emerging small business accomplishes, made  
24 out jointly to the third party and the enterprise or business, and may make  
25 payments on behalf of the enterprise or business to material suppliers or for  
26 federal and state payroll taxes.

27 “(4) Types of assistance that a contractor may provide in a mentor re-  
28 lationship to a disadvantaged business enterprise, a minority-owned business,  
29 a woman-owned business, a veteran-owned business or an emerging small  
30 business include:

- 1       “(a) Financial assistance;
- 2       “(b) Technical and management assistance;
- 3       “(c) Equipment rental and use of personnel; and
- 4       “(d) Bonding assistance.

5       **“SECTION 19.** ORS 200.120 is amended to read:

6       “200.120. (1) The [*Oregon Business Development Department*] **Oregon De-**  
7 **partment of Commerce and Trade**, in consultation with the Oregon As-  
8 sociation of Minority Entrepreneurs, may approve a written development  
9 plan as part of a mentor relationship. The development plan must:

- 10       “(a) Clearly set forth the objectives and roles of the parties;
- 11       “(b) Be for a specified length of time;
- 12       “(c) Determine measurable goals that the disadvantaged business enter-  
13 prise, minority-owned business, woman-owned business, veteran-owned busi-  
14 ness or emerging small business must reach; and
- 15       “(d) Provide that if a disadvantaged business enterprise, a minority-owned  
16 business, a woman-owned business, a veteran-owned business or an emerging  
17 small business uses a mentor’s resources in performing contracts or subcon-  
18 tracts for the mentor or for another contractor, the enterprise or business  
19 shall separately identify, account for and directly compensate the mentor for  
20 the resources. The department may closely monitor a development plan that  
21 provides that the enterprise or business will use the mentor’s resources ex-  
22 tensively.

23       “(2) The development plan may also provide for the mentor to train the  
24 disadvantaged business enterprise, minority-owned business, woman-owned  
25 business, veteran-owned business or emerging small business. Training may  
26 include:

- 27       “(a) Business planning;
- 28       “(b) Record keeping;
- 29       “(c) Technical training;
- 30       “(d) Capital formation;

- 1 “(e) Loan packaging;
- 2 “(f) Financial counseling;
- 3 “(g) Bonding; and
- 4 “(h) Equipment utilization.

5 “(3) The [*Oregon Business Development Department*] **Oregon Department**  
6 **of Commerce and Trade** and the Oregon Association of Minority Entre-  
7 preneurs may review the development plan annually to monitor progress.

8 “(4) The development plan must provide that the mentor relationship may  
9 be terminated by mutual consent or if:

10 “(a) An enterprise or a business no longer qualifies for certification under  
11 ORS 200.055 as a disadvantaged business enterprise, a minority-owned busi-  
12 ness, a woman-owned business, a veteran-owned business or an emerging  
13 small business;

14 “(b) Either party has failed or is unable to meet the party’s obligations  
15 under the development plan;

16 “(c) The disadvantaged business enterprise, minority-owned business,  
17 woman-owned business, veteran-owned business or emerging small business  
18 is not progressing or is not likely to progress in accordance with the devel-  
19 opment plan;

20 “(d) The disadvantaged business enterprise, minority-owned business,  
21 woman-owned business, veteran-owned business or emerging small business  
22 has reached a satisfactory level of self-sufficiency to compete without re-  
23 sorting to special treatment provided in the development plan; or

24 “(e) The plan or provisions of the plan are contrary to the requirements  
25 of federal, state, or local law or regulation, or otherwise contrary to public  
26 policy.

27 “(5) The parties to the development plan, the [*Oregon Business Develop-*  
28 *ment Department*] **Oregon Department of Commerce and Trade** and the  
29 Oregon Association of Minority Entrepreneurs shall retain copies of the  
30 plan.



1 “(6) The development plan may provide that either party may dissolve the  
2 plan for any reason by notifying the [*Oregon Business Development Depart-*  
3 *ment*] **Oregon Department of Commerce and Trade** and the Oregon As-  
4 sociation of Minority Entrepreneurs.

5 **“SECTION 20.** ORS 200.170 is amended to read:

6 “200.170. (1) Subject to subsection (2) of this section, to participate in the  
7 emerging small business program under ORS 200.160 to 200.200, an applicant  
8 must:

9 “(a) Be certified by the [*Oregon Business Development Department*]  
10 **Oregon Department of Commerce and Trade** under ORS 200.005 to  
11 200.075 as an emerging small business;

12 “(b) Show that the applicant’s place of business and the work in which  
13 the applicant seeks to participate are located in this state; and

14 “(c) Show that the applicant is in compliance with applicable licensing  
15 and registration requirements.

16 “(2) The Department of Transportation may limit eligibility for partic-  
17 ipation on a specific project or contract to emerging small businesses that  
18 are located in or draw a part of their workforce from economically distressed  
19 areas or enterprise zones in this state, as designated by the [*Oregon Business*  
20 *Development Department*] **Oregon Department of Commerce and Trade** in  
21 consultation with the Employment Department.

22 “(3) An applicant who participates under ORS 200.160 to 200.200 must  
23 perform at least 51 percent of the labor provided by the applicant on a public  
24 improvement or maintenance project using the applicant’s own workforce.

25 **“SECTION 21.** ORS 238.015 is amended to read:

26 “238.015. (1) No person may become a member of the system unless that  
27 person is in the service of a public employer and has completed six months’  
28 service uninterrupted by more than 30 consecutive working days during the  
29 six months’ period. Every employee of a participating employer shall become  
30 a member of the system at the beginning of the first full pay period of the

1 employee following the six months' period. Contributions for new members  
2 shall first be made for those wages that are attributable to services per-  
3 formed by the employee during the first full pay period following the six  
4 months' period, without regard to when those wages are considered earned  
5 for other purposes under this chapter. All public employers participating in  
6 the Public Employees Retirement System established by chapter 401, Oregon  
7 Laws 1945, as amended, at the time of repeal of that chapter, and all school  
8 districts of the state, shall participate in, and their employees shall be  
9 members of, the system, except as otherwise specifically provided by law.

10       “(2) Any active member of the Public Employees Retirement System who,  
11 through the annexation of a political subdivision employing the member or  
12 by change of employment, becomes the employee of another political subdi-  
13 vision which is participating in the Public Employees Retirement System and  
14 has also a separate retirement system for its employees, shall remain an ac-  
15 tive member of the Public Employees Retirement System unless, within 60  
16 days after the effective date of the annexation or change of employment or  
17 April 8, 1953, the member shall by written notice to the Public Employees  
18 Retirement Board and to the administrative body of the new public employer  
19 elect to relinquish membership in the Public Employees Retirement System  
20 and become a member of the separate retirement system of the employer, if  
21 eligible for membership in that retirement system, and the member shall be  
22 so carried by the new employer. Immediately upon such annexation of any  
23 political subdivision or such change of employment, the new public employer  
24 shall inform such employee in writing of the right of the employee to exer-  
25 cise an election as in this section provided.

26       “(3) A political subdivision (other than a school district) not participating  
27 in the retirement system established by chapter 401, Oregon Laws 1945, as  
28 amended, which employs one or more employees, each of whose position re-  
29 quires 600 hours of service per year, or an agency created by two or more  
30 political subdivisions to provide themselves governmental services, which

1 employs one or more employees, each of whose position requires 600 hours  
2 of service per year, may, through its governing body, notify the board in  
3 writing, that it elects to include its employees in the system hereby estab-  
4 lished. Such public employer may request the board to make a study and  
5 estimate of the cost of including it and its eligible employees, other than  
6 volunteer firefighters, in the system, which the board thereupon shall cause  
7 to be made and the cost of which the employer shall bear. Upon completion  
8 of the study and estimate the employer may apply for admission to the sys-  
9 tem, whereupon it shall begin to participate therein and its eligible employ-  
10 ees other than volunteer firefighters shall become members of the system. If  
11 the employer is an agency created by two or more political subdivisions to  
12 provide themselves governmental services and ceases thereafter to transmit  
13 to the board contributions for any of its eligible employees, the benefits  
14 based upon employer contributions to which such employees would otherwise  
15 be entitled shall be reduced accordingly.

16 “(4) No adult in custody in a state institution or a noncitizen on a  
17 training or educational visa working for any participating employer, even  
18 though the adult in custody or noncitizen received compensation from a  
19 participating employer, shall be eligible to become a member of the system.  
20 No person employed by a participating employer and defined by such em-  
21 ployer as a student employee is eligible to become a member of the system  
22 for such student employment.

23 “(5) A person holding an elective office or an appointive office with a  
24 fixed term or an office as head of a department to which the person is ap-  
25 pointed by the Governor may become a member of the system by giving the  
26 board written notice of desire to do so within 30 days after taking the office  
27 or, in the event that the officer is not eligible to become a member of the  
28 system at the time of taking the office, within 30 days after becoming so el-  
29 igible. Membership so established shall not be discontinued during the  
30 appointive or elective term of the officer except upon separation of the offi-

1 cer from service.

2 “(6) A public employer employing volunteer firefighters may apply to the  
3 board at any time for them to become members of the system. Upon receiving  
4 the application the board shall fix a wage at which, for purposes of this  
5 chapter only, they shall be considered to be employed and which shall be the  
6 basis for computing the amounts of the contributions, if any, which they pay  
7 into, and of the benefits which they and their beneficiaries receive from, the  
8 fund; and if the wage so fixed is satisfactory to the employer, shall include  
9 the firefighters in the system.

10 “(7)(a) In the event that an employee enters the service of a public em-  
11 ployer which is participating in or later begins to participate in the system  
12 and in the event that at the time of entering that service or at the time that  
13 the employer begins to participate in the system the employee has com-  
14 menced to purchase and is continuing to purchase a retirement annuity, if  
15 the employer deems the annuity adequate for the purposes of this chapter,  
16 it may enter into an agreement with the employee and the board pursuant  
17 to which the employee may be exempted from contributing to the Public  
18 Employees Retirement Fund, and, if no public funds are being used to pur-  
19 chase the annuity or a corresponding pension, the employer, in lieu of the  
20 contributions which it otherwise would make to the fund on account of the  
21 employee, may make contributions toward the cost of purchasing the annu-  
22 ity. Such employee otherwise shall be subject to the provisions of this  
23 chapter, except that neither the employee nor any person claiming under the  
24 employee shall receive any payments from the retirement fund as service or  
25 disability allowance.

26 “(b) An employee who enters into an agreement under paragraph (a) of  
27 this subsection may elect at any time thereafter to start to participate in the  
28 system by giving written notice of desire to participate to the board and to  
29 the employer. The employee shall receive no retirement credit for the period  
30 during which the employee was exempted from contributing to the fund un-

1 der the agreement, but the employee shall be considered to have completed  
2 the six months' service required for membership in the system. When the  
3 employee starts to participate in the system the employer shall start to  
4 contribute to the fund on account of the employee in the same manner as the  
5 employer contributes on account of other employees who are active members  
6 of the system and the employer shall stop making contributions toward the  
7 cost of purchasing the retirement annuity.

8 “(8)(a) All new appointees in the Federal Cooperative Extension Service  
9 or in any other service in which participation in the Federal Civil Service  
10 retirement program is mandatory, who receive a federal appointment on or  
11 after July 1, 1955, may participate in the Public Employees Retirement Sys-  
12 tem only by giving written notice of their election to so participate to the  
13 Public Employees Retirement Board within six months after the effective  
14 date of their appointment.

15 “(b) All persons employed by the Federal Cooperative Extension Service  
16 or by any other service in which participation in the Federal Civil Service  
17 retirement program is mandatory, who are under federal appointment as of  
18 July 1, 1955, and who are members of the state retirement system, shall  
19 continue such membership unless, prior to February 1, 1956, they give writ-  
20 ten notice to the Public Employees Retirement Board of their desire to can-  
21 cel their membership.

22 “(c) Any person who is an active member of the Public Employees Re-  
23 tirement System, who, on or after July 1, 1955, is employed by the Federal  
24 Cooperative Extension Service or by any other service in which participation  
25 in the Federal Civil Service retirement program is mandatory, and who is  
26 given a federal appointment, shall continue such membership in the Public  
27 Employees Retirement System unless, within six months after the effective  
28 date of the appointment, the person gives written notice to the Public Em-  
29 ployees Retirement Board of the desire to cancel membership.

30 “(d) A cancellation of membership under paragraph (b) or (c) of this sub-

1 section terminates membership in the Public Employees Retirement System  
2 and cancels the right to any benefits from, or claims against, that system.  
3 Such cancellation prevents the withdrawing member from claiming thereafter  
4 any retirement credit for any period of employment before the cancellation.  
5 Upon receipt of a notice of cancellation, the Public Employees Retirement  
6 Board shall refund the member account of the withdrawing member, regard-  
7 less of the age of the withdrawing member.

8 “(9) Employees, including managers, of foreign trade offices of the [*Oregon*  
9 *Business Development Department*] **Oregon Department of Commerce and**  
10 **Trade** who live and perform services in foreign countries under the pro-  
11 visions of ORS 285A.075 (1)(g) shall not be members of the system. However,  
12 any person who is an active member of the system immediately before be-  
13 coming an employee of a foreign trade office shall continue to be a member  
14 of the system during the period of time the person serves as an employee of  
15 the foreign trade office.

16 “(10) An employee who is participating in an alternative retirement pro-  
17 gram established pursuant to ORS 353.250 or an optional retirement plan  
18 established pursuant to ORS 341.551 may not be an active member of the  
19 Public Employees Retirement System.

20 “**SECTION 22.** ORS 238A.005, as amended by section 3, chapter 75,  
21 Oregon Laws 2024, is amended to read:

22 “238A.005. For the purposes of this chapter:

23 “(1) ‘Active member’ means a member of the pension program or the in-  
24 dividual account program of the Oregon Public Service Retirement Plan who  
25 is actively employed in a qualifying position.

26 “(2) ‘Actuarial equivalent’ means a payment or series of payments having  
27 the same value as the payment or series of payments replaced, computed on  
28 the basis of interest rate and mortality assumptions adopted by the board.

29 “(3) ‘Board’ means the Public Employees Retirement Board.

30 “(4) ‘Eligible employee’ means a person who performs services for a par-

1 participating public employer, including persons considered employees of a par-  
2 ticipating public employer under 26 U.S.C. 3121(d)(2), as in effect on January  
3 1, 2024, and elected officials other than judges. ‘Eligible employee’ does not  
4 include:

5 “(a) Persons engaged as independent contractors;

6 “(b) Aliens working under a training or educational visa;

7 “(c) Persons provided sheltered employment or make-work by a public  
8 employer;

9 “(d) Persons categorized by a participating public employer as student  
10 employees;

11 “(e) Any person who is in custody in a state institution;

12 “(f) Employees of foreign trade offices of the [*Oregon Business Develop-*  
13 *ment Department*] **Oregon Department of Commerce and Trade** who live  
14 and perform services in foreign countries under the provisions of ORS  
15 285A.075 (1)(g);

16 “(g) An employee actively participating in an alternative retirement pro-  
17 gram established under ORS 353.250 or an optional retirement plan estab-  
18 lished under ORS 341.551;

19 “(h) Employees of a public university listed in ORS 352.002 who are ac-  
20 tively participating in an optional retirement plan offered under ORS 243.815;

21 “(i) Persons employed in positions classified as post-doctoral scholar po-  
22 sitions by a public university listed in ORS 352.002, or by the Oregon Health  
23 and Science University, under ORS 350.370;

24 “(j) Any employee who belongs to a class of employees that was not eli-  
25 gible on August 28, 2003, for membership in the system under the provisions  
26 of ORS chapter 238 or other law;

27 “(k) Any person who belongs to a class of employees who are not eligible  
28 to become members of the Oregon Public Service Retirement Plan under the  
29 provisions of ORS 238A.070 (2);

30 “(L) Any person who is retired under ORS 238A.100 to 238A.250 or ORS

1 chapter 238 and who continues to receive retirement benefits while employed;  
2 and

3 “(m) Judges.

4 “(5) ‘Firefighter’ means:

5 “(a) A person employed by a local government, as defined in ORS 174.116,  
6 whose primary job duties include the fighting of fires;

7 “(b) The State Fire Marshal, chief deputy state fire marshals and deputy  
8 state fire marshals;

9 “(c) An employee of the State Fire Marshal whose primary duties include  
10 fire investigation, fire prevention, fire safety, fire control or fire suppression;

11 “(d) An employee of the State Forestry Department who is certified by the  
12 State Forester as a professional wildland firefighter and whose primary du-  
13 ties include the abatement of uncontrolled fires as described in ORS 477.064;  
14 and

15 “(e) An employee of the Oregon Military Department whose primary du-  
16 ties include fighting structural, aircraft, wildland or other fires.

17 “(6) ‘Fund’ means the Public Employees Retirement Fund.

18 “(7)(a) ‘Hour of service’ means:

19 “(A) An hour for which an eligible employee is directly or indirectly paid  
20 or entitled to payment by a participating public employer for performance  
21 of duties in a qualifying position; and

22 “(B) An hour of vacation, holiday, illness, incapacity, jury duty, military  
23 duty or authorized leave during which an employee does not perform duties  
24 but for which the employee is directly or indirectly paid or entitled to pay-  
25 ment by a participating public employer for services in a qualifying position,  
26 as long as the hour is within the number of hours regularly scheduled for  
27 the performance of duties during the period of vacation, holiday, illness, in-  
28 capacity, jury duty, military duty or authorized leave.

29 “(b) ‘Hour of service’ does not include any hour for which payment is  
30 made or due under a plan maintained solely for the purpose of complying



1 with applicable unemployment compensation laws.

2 “(8) ‘Inactive member’ means a member of the pension program or the  
3 individual account program of the Oregon Public Service Retirement Plan  
4 whose membership has not been terminated, who is not a retired member and  
5 who is not employed in a qualifying position.

6 “(9) ‘Individual account program’ means the defined contribution individ-  
7 ual account program of the Oregon Public Service Retirement Plan estab-  
8 lished under ORS 238A.025.

9 “(10) ‘Institution of higher education’ means a public university listed in  
10 ORS 352.002, the Oregon Health and Science University or a community  
11 college, as defined in ORS 341.005.

12 “(11) ‘Member’ means an eligible employee who has established member-  
13 ship in the pension program or the individual account program of the Oregon  
14 Public Service Retirement Plan and whose membership has not been termi-  
15 nated under ORS 238A.110 or 238A.310.

16 “(12) ‘Participating public employer’ means a public employer as defined  
17 in ORS 238.005 that provides retirement benefits for employees of the public  
18 employer under the system.

19 “(13) ‘Pension program’ means the defined benefit pension program of the  
20 Oregon Public Service Retirement Plan established under ORS 238A.025.

21 “(14) ‘Police officer’ means a police officer as described in ORS 238.005.

22 “(15) ‘Qualifying position’ means one or more jobs with one or more par-  
23 ticipating public employers in which an eligible employee performs 600 or  
24 more hours of service in a full calendar year, or would perform 600 or more  
25 hours of service if the employee were employed for the full calendar year,  
26 excluding any service in a job for which benefits are not provided under the  
27 Oregon Public Service Retirement Plan pursuant to ORS 238A.070 (2).

28 “(16) ‘Retired member’ means a pension program member who is receiving  
29 a pension as provided in ORS 238A.180 to 238A.195.

30 “(17)(a) ‘Salary’ means the remuneration paid to an active member in re-

1 turn for services to the participating public employer, including  
2 remuneration in the form of living quarters, board or other items of value,  
3 to the extent the remuneration is, or would be if the member were an Oregon  
4 resident, includable in the employee's taxable income under Oregon law.  
5 'Salary' includes the additional amounts specified in paragraph (b) of this  
6 subsection, but does not include the amounts specified in paragraph (c) of  
7 this subsection, regardless of whether those amounts are includable in taxa-  
8 ble income.

9 "(b) 'Salary' includes the following amounts:

10 "(A) Payments of employee and employer money into a deferred compen-  
11 sation plan that are made at the election of the employee.

12 "(B) Contributions to a tax-sheltered or deferred annuity that are made  
13 at the election of the employee.

14 "(C) Any amount that is contributed to a cafeteria plan or qualified  
15 transportation fringe benefit plan by the employer at the election of the  
16 employee and that is not includable in the taxable income of the employee  
17 by reason of 26 U.S.C. 125 or 132(f)(4), as in effect on December 31, 2023.

18 "(D) Any amount that is contributed to a cash or deferred arrangement  
19 by the employer at the election of the employee and that is not included in  
20 the taxable income of the employee by reason of 26 U.S.C. 402(e)(3), as in  
21 effect on December 31, 2023.

22 "(E) Retroactive payments described in ORS 238.008.

23 "(F) The amount of an employee contribution to the individual account  
24 program that is paid by the employer and deducted from the compensation  
25 of the employee, as provided under ORS 238A.335 (1) and (2)(a).

26 "(G) The amount of an employee contribution to the individual account  
27 program that is not paid by the employer under ORS 238A.335.

28 "(H) Wages of a deceased member paid to a surviving spouse or dependent  
29 children under ORS 652.190.

30 "(c) 'Salary' does not include the following amounts:

1       “(A) Travel or any other expenses incidental to employer’s business which  
2 is reimbursed by the employer.

3       “(B) Payments made on account of an employee’s death.

4       “(C) Any lump sum payment for accumulated unused sick leave, vacation  
5 leave or other paid leave.

6       “(D) Any severance payment, accelerated payment of an employment  
7 contract for a future period or advance against future wages.

8       “(E) Any retirement incentive, retirement bonus or retirement gratuitous  
9 payment.

10       “(F) Payment for a leave of absence after the date the employer and em-  
11 ployee have agreed that no future services in a qualifying position will be  
12 performed.

13       “(G) Payments for instructional services rendered to public universities  
14 listed in ORS 352.002 or the Oregon Health and Science University when  
15 those services are in excess of full-time employment subject to this chapter.  
16 A person employed under a contract for less than 12 months is subject to this  
17 subparagraph only for the months covered by the contract.

18       “(H) The amount of an employee contribution to the individual account  
19 program that is paid by the employer and is not deducted from the compen-  
20 sation of the employee, as provided under ORS 238A.335 (1) and (2)(b).

21       “(I) Compensation described and authorized under ORS 341.556 that is not  
22 paid by the community college employing the faculty member.

23       “(J) Compensation described and authorized under ORS 352.232 that is not  
24 paid by the public university employing the officer or employee.

25       “(K) Compensation described and authorized under ORS 353.270 that is  
26 not paid by Oregon Health and Science University.

27       “(L) For years before 2020, any amount in excess of \$200,000 for a calen-  
28 dar year. If any period over which salary is determined is less than 12  
29 months, the \$200,000 limitation for that period shall be multiplied by a frac-  
30 tion, the numerator of which is the number of months in the determination

1 period and the denominator of which is 12. The board shall adopt rules ad-  
2 justing this dollar limit to incorporate cost-of-living adjustments authorized  
3 by the Internal Revenue Service.

4 “(M) For years beginning on or after January 1, 2020, any amount in ex-  
5 cess of \$195,000 for a calendar year. If any period over which salary is de-  
6 termined is less than 12 months, the \$195,000 limitation for that period shall  
7 be multiplied by a fraction, the numerator of which is the number of months  
8 in the determination period and the denominator of which is 12. On January  
9 1 of each year, the board shall adjust the dollar limit provided by this sub-  
10 paragraph to reflect any percentage changes in the Consumer Price Index for  
11 All Urban Consumers, West Region (All Items), as published by the Bureau  
12 of Labor Statistics of the United States Department of Labor.

13 “(18) ‘System’ means the Public Employees Retirement System.

14 “(19) ‘Workers’ compensation benefits’ means:

15 “(a) Payments made under ORS chapter 656; or

16 “(b) Payments provided in lieu of workers’ compensation benefits under  
17 ORS 656.027 (6).

18 “**SECTION 23.** ORS 238A.005, as amended by section 3, chapter 75,  
19 Oregon Laws 2024, and section 2, chapter 101, Oregon Laws 2024, is amended  
20 to read:

21 “238A.005. For the purposes of this chapter:

22 “(1) ‘Active member’ means a member of the pension program or the in-  
23 dividual account program of the Oregon Public Service Retirement Plan who  
24 is actively employed in a qualifying position.

25 “(2) ‘Actuarial equivalent’ means a payment or series of payments having  
26 the same value as the payment or series of payments replaced, computed on  
27 the basis of interest rate and mortality assumptions adopted by the board.

28 “(3) ‘Board’ means the Public Employees Retirement Board.

29 “(4) ‘Eligible employee’ means a person who performs services for a par-  
30 ticipating public employer, including persons considered employees of a par-

1 ticipating public employer under 26 U.S.C. 3121(d)(2), as in effect on January  
2 1, 2024, and elected officials other than judges. ‘Eligible employee’ does not  
3 include:

4 “(a) Persons engaged as independent contractors;

5 “(b) Aliens working under a training or educational visa;

6 “(c) Persons provided sheltered employment or make-work by a public  
7 employer;

8 “(d) Persons categorized by a participating public employer as student  
9 employees;

10 “(e) Any person who is in custody in a state institution;

11 “(f) Employees of foreign trade offices of the [*Oregon Business Develop-*  
12 *ment Department*] **Oregon Department of Commerce and Trade** who live  
13 and perform services in foreign countries under the provisions of ORS  
14 285A.075 (1)(g);

15 “(g) An employee actively participating in an alternative retirement pro-  
16 gram established under ORS 353.250 or an optional retirement plan estab-  
17 lished under ORS 341.551;

18 “(h) Employees of a public university listed in ORS 352.002 who are ac-  
19 tively participating in an optional retirement plan offered under ORS 243.815;

20 “(i) Persons employed in positions classified as post-doctoral scholar po-  
21 sitions by a public university listed in ORS 352.002, or by the Oregon Health  
22 and Science University, under ORS 350.370;

23 “(j) Any employee who belongs to a class of employees that was not eli-  
24 gible on August 28, 2003, for membership in the system under the provisions  
25 of ORS chapter 238 or other law;

26 “(k) Any person who belongs to a class of employees who are not eligible  
27 to become members of the Oregon Public Service Retirement Plan under the  
28 provisions of ORS 238A.070 (2);

29 “(L) Any person who is retired under ORS 238A.100 to 238A.250 or ORS  
30 chapter 238 and who continues to receive retirement benefits while employed;

1 and

2 “(m) Judges.

3 “(5) ‘Firefighter’ means:

4 “(a) A person employed by a local government, as defined in ORS 174.116,  
5 whose primary job duties include the fighting of fires;

6 “(b) The State Fire Marshal, chief deputy state fire marshals and deputy  
7 state fire marshals;

8 “(c) An employee of the State Fire Marshal whose primary duties include  
9 fire investigation, fire prevention, fire safety, fire control or fire suppression;

10 “(d) An employee of the State Forestry Department who is certified by the  
11 State Forester as a professional wildland firefighter and whose primary du-  
12 ties include the abatement of uncontrolled fires as described in ORS 477.064;

13 and

14 “(e) An employee of the Oregon Military Department whose primary du-  
15 ties include fighting structural, aircraft, wildland or other fires.

16 “(6) ‘Fund’ means the Public Employees Retirement Fund.

17 “(7)(a) ‘Hazardous position’ means a position that does not meet the de-  
18 finition of a qualified public safety employee under section 72(t)(10)(B) of the  
19 Internal Revenue Code, but that:

20 “(A) Requires the person holding the position to work with or manage  
21 emergency or traumatic events in the regular course of work; or

22 “(B) Carries a high risk of physical harm.

23 “(b) ‘Hazardous position’ includes and is limited to:

24 “(A) Employees of the Oregon State Hospital who have direct contact  
25 with patients; and

26 “(B) Telecommunicators, as defined in ORS 181A.355.

27 “(8)(a) ‘Hour of service’ means:

28 “(A) An hour for which an eligible employee is directly or indirectly paid  
29 or entitled to payment by a participating public employer for performance  
30 of duties in a qualifying position; and

1       “(B) An hour of vacation, holiday, illness, incapacity, jury duty, military  
2 duty or authorized leave during which an employee does not perform duties  
3 but for which the employee is directly or indirectly paid or entitled to pay-  
4 ment by a participating public employer for services in a qualifying position,  
5 as long as the hour is within the number of hours regularly scheduled for  
6 the performance of duties during the period of vacation, holiday, illness, in-  
7 capacity, jury duty, military duty or authorized leave.

8       “(b) ‘Hour of service’ does not include any hour for which payment is  
9 made or due under a plan maintained solely for the purpose of complying  
10 with applicable unemployment compensation laws.

11       “(9) ‘Inactive member’ means a member of the pension program or the  
12 individual account program of the Oregon Public Service Retirement Plan  
13 whose membership has not been terminated, who is not a retired member and  
14 who is not employed in a qualifying position.

15       “(10) ‘Individual account program’ means the defined contribution indi-  
16 vidual account program of the Oregon Public Service Retirement Plan es-  
17 tablished under ORS 238A.025.

18       “(11) ‘Institution of higher education’ means a public university listed in  
19 ORS 352.002, the Oregon Health and Science University or a community  
20 college, as defined in ORS 341.005.

21       “(12) ‘Member’ means an eligible employee who has established member-  
22 ship in the pension program or the individual account program of the Oregon  
23 Public Service Retirement Plan and whose membership has not been termi-  
24 nated under ORS 238A.110 or 238A.310.

25       “(13) ‘Participating public employer’ means a public employer as defined  
26 in ORS 238.005 that provides retirement benefits for employees of the public  
27 employer under the system.

28       “(14) ‘Pension program’ means the defined benefit pension program of the  
29 Oregon Public Service Retirement Plan established under ORS 238A.025.

30       “(15) ‘Police officer’ means a police officer as described in ORS 238.005.

1 “(16) ‘Qualifying position’ means one or more jobs with one or more par-  
2 ticipating public employers in which an eligible employee performs 600 or  
3 more hours of service in a full calendar year, or would perform 600 or more  
4 hours of service if the employee were employed for the full calendar year,  
5 excluding any service in a job for which benefits are not provided under the  
6 Oregon Public Service Retirement Plan pursuant to ORS 238A.070 (2).

7 “(17) ‘Retired member’ means a pension program member who is receiving  
8 a pension as provided in ORS 238A.180 to 238A.195.

9 “(18)(a) ‘Salary’ means the remuneration paid to an active member in re-  
10 turn for services to the participating public employer, including  
11 remuneration in the form of living quarters, board or other items of value,  
12 to the extent the remuneration is, or would be if the member were an Oregon  
13 resident, includable in the employee’s taxable income under Oregon law.  
14 ‘Salary’ includes the additional amounts specified in paragraph (b) of this  
15 subsection, but does not include the amounts specified in paragraph (c) of  
16 this subsection, regardless of whether those amounts are includable in taxa-  
17 ble income.

18 “(b) ‘Salary’ includes the following amounts:

19 “(A) Payments of employee and employer money into a deferred compen-  
20 sation plan that are made at the election of the employee.

21 “(B) Contributions to a tax-sheltered or deferred annuity that are made  
22 at the election of the employee.

23 “(C) Any amount that is contributed to a cafeteria plan or qualified  
24 transportation fringe benefit plan by the employer at the election of the  
25 employee and that is not includable in the taxable income of the employee  
26 by reason of 26 U.S.C. 125 or 132(f)(4), as in effect on December 31, 2023.

27 “(D) Any amount that is contributed to a cash or deferred arrangement  
28 by the employer at the election of the employee and that is not included in  
29 the taxable income of the employee by reason of 26 U.S.C. 402(e)(3), as in  
30 effect on December 31, 2023.



1 “(E) Retroactive payments described in ORS 238.008.

2 “(F) The amount of an employee contribution to the individual account  
3 program that is paid by the employer and deducted from the compensation  
4 of the employee, as provided under ORS 238A.335 (1) and (2)(a).

5 “(G) The amount of an employee contribution to the individual account  
6 program that is not paid by the employer under ORS 238A.335.

7 “(H) Wages of a deceased member paid to a surviving spouse or dependent  
8 children under ORS 652.190.

9 “(c) ‘Salary’ does not include the following amounts:

10 “(A) Travel or any other expenses incidental to employer’s business which  
11 is reimbursed by the employer.

12 “(B) Payments made on account of an employee’s death.

13 “(C) Any lump sum payment for accumulated unused sick leave, vacation  
14 leave or other paid leave.

15 “(D) Any severance payment, accelerated payment of an employment  
16 contract for a future period or advance against future wages.

17 “(E) Any retirement incentive, retirement bonus or retirement gratuitous  
18 payment.

19 “(F) Payment for a leave of absence after the date the employer and em-  
20 ployee have agreed that no future services in a qualifying position will be  
21 performed.

22 “(G) Payments for instructional services rendered to public universities  
23 listed in ORS 352.002 or the Oregon Health and Science University when  
24 those services are in excess of full-time employment subject to this chapter.  
25 A person employed under a contract for less than 12 months is subject to this  
26 subparagraph only for the months covered by the contract.

27 “(H) The amount of an employee contribution to the individual account  
28 program that is paid by the employer and is not deducted from the compen-  
29 sation of the employee, as provided under ORS 238A.335 (1) and (2)(b).

30 “(I) Compensation described and authorized under ORS 341.556 that is not

1 paid by the community college employing the faculty member.

2 “(J) Compensation described and authorized under ORS 352.232 that is not  
3 paid by the public university employing the officer or employee.

4 “(K) Compensation described and authorized under ORS 353.270 that is  
5 not paid by Oregon Health and Science University.

6 “(L) For years before 2020, any amount in excess of \$200,000 for a calen-  
7 dar year. If any period over which salary is determined is less than 12  
8 months, the \$200,000 limitation for that period shall be multiplied by a frac-  
9 tion, the numerator of which is the number of months in the determination  
10 period and the denominator of which is 12. The board shall adopt rules ad-  
11 justing this dollar limit to incorporate cost-of-living adjustments authorized  
12 by the Internal Revenue Service.

13 “(M) For years beginning on or after January 1, 2020, any amount in ex-  
14 cess of \$195,000 for a calendar year. If any period over which salary is de-  
15 termined is less than 12 months, the \$195,000 limitation for that period shall  
16 be multiplied by a fraction, the numerator of which is the number of months  
17 in the determination period and the denominator of which is 12. On January  
18 1 of each year, the board shall adjust the dollar limit provided by this sub-  
19 paragraph to reflect any percentage changes in the Consumer Price Index for  
20 All Urban Consumers, West Region (All Items), as published by the Bureau  
21 of Labor Statistics of the United States Department of Labor.

22 “(19) ‘System’ means the Public Employees Retirement System.

23 “(20) ‘Workers’ compensation benefits’ means:

24 “(a) Payments made under ORS chapter 656; or

25 “(b) Payments provided in lieu of workers’ compensation benefits under  
26 ORS 656.027 (6).

27 **“SECTION 24.** ORS 240.205 is amended to read:

28 “240.205. The unclassified service shall comprise:

29 “(1) One executive officer and one secretary for each board or commission,  
30 the members of which are elected officers or are appointed by the Governor.

1       “(2) The director of each department of state government, each full-time  
2       salaried head of a state agency required by law to be appointed by the Gov-  
3       ernor and each full-time salaried member of a board or commission required  
4       by law to be appointed by the Governor.

5       “(3) The administrator of each division within a department of state gov-  
6       ernment required by law to be appointed by the director of the department  
7       with the approval of the Governor.

8       “(4) Principal assistants and deputies and one private secretary for each  
9       executive or administrative officer specified in ORS 240.200 (1) and in sub-  
10      sections (1) to (3) of this section. ‘Deputy’ means the deputy or deputies to  
11      an executive or administrative officer listed in subsections (1) to (3) of this  
12      section who is authorized to exercise that officer’s authority upon absence  
13      of the officer. ‘Principal assistant’ means a manager of a major agency or-  
14      ganizational component who reports directly to an executive or administra-  
15      tive officer listed in subsections (1) to (3) of this section or deputy and who  
16      is designated as such by that executive or administrative officer with the  
17      approval of the Director of the Oregon Department of Administrative Ser-  
18      vices.

19      “(5) Employees in the Governor’s office and the principal assistant and  
20      private secretary in the Secretary of State’s division.

21      “(6) The director, principals, instructors and teachers in the school oper-  
22      ated under ORS 346.010.

23      “(7) Apprentice trainees only during the prescribed length of their course  
24      of training.

25      “(8) Licensed physicians and dentists employed in their professional ca-  
26      pacities and student nurses, interns, and patient or adult in custody help in  
27      state institutions.

28      “(9) Lawyers employed in their professional capacities.

29      “(10) All members of the Oregon State Police appointed under ORS  
30      181A.050.

1 “(11) The Deputy Superintendent of Public Instruction appointed under  
2 ORS 326.300 and associate superintendents in the Department of Education.

3 “(12) Temporary seasonal farm laborers engaged in single phases of agri-  
4 cultural production or harvesting.

5 “(13) Any individual employed and paid from federal funds received under  
6 a federal program intended primarily to alleviate unemployment. However,  
7 persons employed under this subsection shall be treated as classified em-  
8 ployees for purposes of ORS 243.650 to 243.809.

9 “(14) Managers, department heads, directors, producers and announcers  
10 of the state radio and television network.

11 “(15) Employees, including managers, of the foreign trade offices of the  
12 [*Oregon Business Development Department*] **Oregon Department of Com-  
13 merce and Trade** located outside the country.

14 “(16) Any other position designated by law as unclassified.

15 “**SECTION 25.** ORS 240.240 is amended to read:

16 “240.240. (1) The unclassified service or, except as provided in ORS  
17 240.250, the management service shall not be subject to this chapter, except  
18 that employees and officers in the unclassified or management service shall  
19 be subject to the laws, rules and policies pertaining to any type of leave with  
20 pay except as otherwise provided in subsections (4) and (5) of this section,  
21 and shall be subject to the laws, rules and policies pertaining to salary plans  
22 except as otherwise provided in subsections (3) and (5) of this section.

23 “(2) With regard to any unclassified or management service position for  
24 which the salary is not fixed by law, and except as otherwise provided in  
25 subsections (3) and (5) of this section, the Personnel Division shall adopt a  
26 salary plan which is equitably applied to various categories in the unclassi-  
27 fied or management service and is in reasonable conformity with the general  
28 salary structure of the state. The division shall maintain this unclassified  
29 and management salary plan in accordance with the procedures established  
30 for the classified salary plan as provided in ORS 240.235.

1 “(3) The Secretary of State and the State Treasurer, for the purpose of  
2 maintaining a salary plan for unclassified and management service positions  
3 in their departments, may request the advice and assistance of the division.

4 “(4) With regard to unclassified instructors and teachers under annual  
5 teaching contracts for an academic year in the school operated under ORS  
6 346.010, arrangements for leave with pay shall be established by the Depart-  
7 ment of Education.

8 “(5) With regard to unclassified positions in the [*Oregon Business Devel-*  
9 *opment Department’s*] **Oregon Department of Commerce and Trade’s** for-  
10 eign offices, the salary plan and arrangements for leave with pay shall be  
11 established by the Director of the [*Oregon Business Development*  
12 *Department*] **Oregon Department of Commerce and Trade.**

13 **“SECTION 26.** ORS 244.050 is amended to read:

14 “244.050. (1) On or before April 15 of each year the following persons shall  
15 file with the Oregon Government Ethics Commission a verified statement of  
16 economic interest as required under this chapter:

17 “(a) The Governor, Secretary of State, State Treasurer, Attorney General,  
18 Commissioner of the Bureau of Labor and Industries, district attorneys and  
19 members of the Legislative Assembly.

20 “(b) Any judicial officer, including justices of the peace and municipal  
21 judges, except any pro tem judicial officer who does not otherwise serve as  
22 a judicial officer.

23 “(c) Any candidate for a public office designated in paragraph (a) or (b)  
24 of this subsection.

25 “(d) The Deputy Attorney General.

26 “(e) The Deputy Secretary of State.

27 “(f) The Legislative Administrator, the Legislative Counsel, the Legisla-  
28 tive Fiscal Officer, the Legislative Policy and Research Director, the Secre-  
29 tary of the Senate, the Chief Clerk of the House of Representatives and the  
30 Legislative Equity Officer.

1 “(g) The president and vice presidents, or their administrative equiv-  
2 alents, in each public university listed in ORS 352.002.

3 “(h) The following state officers:

4 “(A) Adjutant General.

5 “(B) Director of Agriculture.

6 “(C) Manager of State Accident Insurance Fund Corporation.

7 “(D) Water Resources Director.

8 “(E) Director of the Department of Environmental Quality.

9 “(F) Director of the Oregon Department of Administrative Services.

10 “(G) State Fish and Wildlife Director.

11 “(H) State Forester.

12 “(I) State Geologist.

13 “(J) Director of Human Services.

14 “(K) Director of the Department of Consumer and Business Services.

15 “(L) Director of the Department of State Lands.

16 “(M) State Librarian.

17 “(N) Administrator of the Oregon Liquor and Cannabis Commission.

18 “(O) Superintendent of State Police.

19 “(P) Director of the Public Employees Retirement System.

20 “(Q) Director of Department of Revenue.

21 “(R) Director of Transportation.

22 “(S) Public Utility Commissioner.

23 “(T) Director of Veterans’ Affairs.

24 “(U) Executive director of Oregon Government Ethics Commission.

25 “(V) Director of the State Department of Energy.

26 “(W) Director and each assistant director of the Oregon State Lottery.

27 “(X) Director of the Department of Corrections.

28 “(Y) Director of the Oregon Department of Aviation.

29 “(Z) Executive director of the Oregon Criminal Justice Commission.

30 “(AA) Director of the [*Oregon Business Development Department*] **Oregon**

1 **Department of Commerce and Trade.**

2 “(BB) Director of the Oregon Department of Emergency Management.

3 “(CC) Director of the Employment Department.

4 “(DD) State Fire Marshal.

5 “(EE) Chief of staff for the Governor.

6 “(FF) Director of the Housing and Community Services Department.

7 “(GG) State Court Administrator.

8 “(HH) Director of the Department of Land Conservation and Develop-  
9 ment.

10 “(II) Board chairperson of the Land Use Board of Appeals.

11 “(JJ) State Marine Director.

12 “(KK) Executive director of the Oregon Racing Commission.

13 “(LL) State Parks and Recreation Director.

14 “(MM) Executive director of the Oregon Public Defense Commission.

15 “(NN) Chairperson of the Public Employees’ Benefit Board.

16 “(OO) Director of the Department of Public Safety Standards and Train-  
17 ing.

18 “(PP) Executive director of the Higher Education Coordinating Commis-  
19 sion.

20 “(QQ) Executive director of the Oregon Watershed Enhancement Board.

21 “(RR) Director of the Oregon Youth Authority.

22 “(SS) Director of the Oregon Health Authority.

23 “(TT) Deputy Superintendent of Public Instruction.

24 “(i) The First Partner, the legal counsel, the deputy legal counsel and all  
25 policy advisors within the Governor’s office.

26 “(j) Every elected city or county official.

27 “(k) Every member of a city or county planning, zoning or development  
28 commission.

29 “(L) The chief executive officer of a city or county who performs the du-  
30 ties of manager or principal administrator of the city or county.

1 “(m) Members of local government boundary commissions formed under  
2 ORS 199.410 to 199.519.

3 “(n) Every member of a governing body of a metropolitan service district  
4 and the auditor and executive officer thereof.

5 “(o) Each member of the board of directors of the State Accident Insur-  
6 ance Fund Corporation.

7 “(p) The chief administrative officer and the financial officer of each  
8 common and union high school district, education service district and com-  
9 munity college district.

10 “(q) Every member of the following state boards, commissions and coun-  
11 cils:

12 “(A) Governing board of the State Department of Geology and Mineral  
13 Industries.

14 “(B) [*Oregon Business Development Commission*] **Oregon Commerce and  
15 Trade Commission.**

16 “(C) State Board of Education.

17 “(D) Environmental Quality Commission.

18 “(E) Fish and Wildlife Commission of the State of Oregon.

19 “(F) State Board of Forestry.

20 “(G) Oregon Government Ethics Commission.

21 “(H) Oregon Health Policy Board.

22 “(I) Oregon Investment Council.

23 “(J) Land Conservation and Development Commission.

24 “(K) Oregon Liquor and Cannabis Commission.

25 “(L) Oregon Short Term Fund Board.

26 “(M) State Marine Board.

27 “(N) Mass transit district boards.

28 “(O) Energy Facility Siting Council.

29 “(P) Board of Commissioners of the Port of Portland.

30 “(Q) Employment Relations Board.



1 “(R) Public Employees Retirement Board.  
2 “(S) Oregon Racing Commission.  
3 “(T) Oregon Transportation Commission.  
4 “(U) Water Resources Commission.  
5 “(V) Workers’ Compensation Board.  
6 “(W) Oregon Facilities Authority.  
7 “(X) Oregon State Lottery Commission.  
8 “(Y) Pacific Northwest Electric Power and Conservation Planning Coun-  
9 cil.  
10 “(Z) Columbia River Gorge Commission.  
11 “(AA) Oregon Health and Science University Board of Directors.  
12 “(BB) Capitol Planning Commission.  
13 “(CC) Higher Education Coordinating Commission.  
14 “(DD) Oregon Growth Board.  
15 “(EE) Early Learning Council.  
16 “(FF) The Oversight and Accountability Council.  
17 “(r) The following officers of the State Treasurer:  
18 “(A) Deputy State Treasurer.  
19 “(B) Chief of staff for the office of the State Treasurer.  
20 “(C) Director of the Investment Division.  
21 “(s) Every member of the board of commissioners of a port governed by  
22 ORS 777.005 to 777.725 or 777.915 to 777.953.  
23 “(t) Every member of the board of directors of an authority created under  
24 ORS 441.525 to 441.595.  
25 “(u) Every member of a governing board of a public university listed in  
26 ORS 352.002.  
27 “(v) Every member of the district school board of a common school dis-  
28 trict or union high school district.  
29 “(w) Every member of the board of directors of an authority created under  
30 ORS 465.600 to 465.621.

1 “(2) By April 15 next after the date an appointment takes effect, every  
2 appointed public official on a board or commission listed in subsection (1)  
3 of this section shall file with the Oregon Government Ethics Commission a  
4 statement of economic interest as required under ORS 244.060, 244.070 and  
5 244.090.

6 “(3) By April 15 next after the filing deadline for the primary election,  
7 each candidate described in subsection (1) of this section shall file with the  
8 commission a statement of economic interest as required under ORS 244.060,  
9 244.070 and 244.090.

10 “(4) Not later than the 40th day before the date of the statewide general  
11 election, each candidate described in subsection (1) of this section who will  
12 appear on the statewide general election ballot and who was not required to  
13 file a statement of economic interest under subsections (1) to (3) of this  
14 section shall file with the commission a statement of economic interest as  
15 required under ORS 244.060, 244.070 and 244.090.

16 “(5) Subsections (1) to (3) of this section apply only to persons who are  
17 incumbent, elected or appointed public officials as of April 15 and to persons  
18 who are candidates on April 15.

19 “(6) If a statement required to be filed under this section has not been  
20 received by the commission within five days after the date the statement is  
21 due, the commission shall notify the public official or candidate and give the  
22 public official or candidate not less than 15 days to comply with the re-  
23 quirements of this section. If the public official or candidate fails to comply  
24 by the date set by the commission, the commission may impose a civil pen-  
25 alty as provided in ORS 244.350.

26 “**SECTION 27.** ORS 276.090 is amended to read:

27 “276.090. (1) The Arts Program of the [*Oregon Business Development De-*  
28 *partment*] **Oregon Department of Commerce and Trade** and the Oregon  
29 Department of Administrative Services, if the construction project is located  
30 within the area described in ORS 276.054, and the Arts Program of the

1 [Oregon Business Development Department] **Oregon Department of Com-**  
2 **merce and Trade**, the Oregon Department of Administrative Services and  
3 the contracting agency if the project is located outside the area described in  
4 ORS 276.054, in consultation with the architect for the particular building  
5 shall determine the amount available for each state building and shall com-  
6 mission by contract or shall purchase suitable works of art for each building.  
7 The agencies designated by this section are solely responsible for selection,  
8 review of design, execution, placement and acceptance of works of art ac-  
9 quired pursuant to ORS 276.073 to 276.090. The designated agencies, to the  
10 extent reasonable, shall consult with appropriate local citizens groups and  
11 the occupants of the affected state building in determining the selection of  
12 the works of art.

13 “(2) Of the amount determined to be available for a state building under  
14 subsection (1) of this section, a portion may be assessed by the Arts Program  
15 of the [Oregon Business Development Department] **Oregon Department of**  
16 **Commerce and Trade** and used to reimburse the program for costs incurred  
17 under ORS 276.073 to 276.090 as administrative expenses or as expenses for  
18 maintaining the works of art acquired. No more than 10 percent of the  
19 amount available for a state building may be assessed under this subsection.

20 “(3) Title to works of art acquired pursuant to ORS 276.073 to 276.090  
21 vests with the contracting agency in the name of the state. The agencies  
22 designated by this section may lend works of art between public buildings  
23 whenever in their judgment the loan will be to the benefit of the citizens of  
24 this state. However, the works of art shall be returned to the contracting  
25 agency at its request.

26 “**SECTION 28.** ORS 276.096 is amended to read:

27 “276.096. (1) In carrying out the duties of the Director of the Oregon De-  
28 partment of Administrative Services under ORS 276.095, the director shall  
29 consult with the Capitol Planning Commission, the designated State Historic  
30 Preservation Officer, the State Parks and Recreation Department, the Oregon

1 Historical Society, the Arts Program of the [*Oregon Business Development*  
2 *Department*] **Oregon Department of Commerce and Trade**, local landmark  
3 commissions and historic societies and the chief executive officers of those  
4 units of local government in each area served by existing or proposed state  
5 offices and shall solicit the comments of other community leaders and mem-  
6 bers of the general public that the director considers appropriate.

7 “(2) Whenever the director undertakes a review of state building needs  
8 within a geographical area, the director shall request the cooperation of the  
9 State Historic Preservation Officer to identify an existing building within  
10 the geographical areas that is of historical, architectural or cultural signif-  
11 icance and that is suitable, whether or not in need of repair, alteration or  
12 addition, for acquisition or purchase to meet the building needs of state  
13 government.

14 **“SECTION 29.** ORS 276A.256 is amended to read:

15 “276A.256. (1) For each statute that authorizes a tax expenditure with a  
16 purpose connected to economic development and that is listed in subsection  
17 (2) of this section, the state agency charged with certifying or otherwise  
18 administering the tax expenditure shall submit a report to the State Chief  
19 Information Officer. If a statute does not exist to authorize a state agency  
20 to certify or otherwise administer the tax expenditure, or if a statute does  
21 not provide for certification or administration of the tax expenditure, the  
22 Department of Revenue shall submit the report.

23 “(2) This section applies to:

24 “(a) ORS 285C.175, 285C.362, 285C.409, 307.123, 307.455, 315.141, 315.331,  
25 315.336, 315.341, 315.506, 315.507, 315.514, 315.533, 316.698, 316.778, 317.124,  
26 317.391 and 317.394 and sections 1 to 5, chapter 112, Oregon Laws 2016.

27 “(b) Grants awarded under ORS 469B.256 in any tax year in which certi-  
28 fied renewable energy contributions are received as provided in ORS 315.326.

29 “(c) ORS 315.354 except as applicable in ORS 469B.145 (2)(a)(L) or (N).

30 “(d) ORS 316.116, if the allowed credit exceeds \$2,000.

1 “(3) The following information, if the information is already available in  
2 an existing database the state agency maintains, must be included in the  
3 report required under this section:

4 “(a) The name of each taxpayer or applicant approved for the allowance  
5 of a tax expenditure or a grant award under ORS 469B.256.

6 “(b) The address of each taxpayer or applicant.

7 “(c) The total amount of credit against tax liability, reduction in taxable  
8 income or exemption from property taxation granted to each taxpayer or  
9 applicant.

10 “(d) Specific outcomes or results required by the tax expenditure program  
11 and information about whether the taxpayer or applicant meets those re-  
12 quirements. This information must be based on data the state agency has  
13 already collected and analyzed in the course of administering the tax ex-  
14 penditure. Statistics must be accompanied by a description of the methodol-  
15 ogy employed in the statistics.

16 “(e) An explanation of the state agency’s certification decision for each  
17 taxpayer or applicant, if applicable.

18 “(f) Any additional information that the taxpayer or applicant submits  
19 and that the state agency relies on in certifying the determination.

20 “(g) Any other information that state agency personnel deem valuable as  
21 providing context for the information described in this subsection.

22 “(4) The information reported under subsection (3) of this section may not  
23 include proprietary information or information that is exempt from disclo-  
24 sure under ORS 192.311 to 192.478 or 314.835.

25 “(5) No later than September 30 of each year, a state agency described in  
26 subsection (1) of this section shall submit to the State Chief Information  
27 Officer the information required under subsection (3) of this section as ap-  
28 plicable to applications for allowance of tax expenditures the state agency  
29 approved during the agency fiscal year ending during the current calendar  
30 year. The information must then be posted on the Oregon transparency

1 website described in ORS 276A.253 no later than December 31 of the same  
2 year.

3 “(6)(a) In addition to the information described in subsection (3) of this  
4 section, the State Chief Information Officer shall post on the Oregon trans-  
5 parency website:

6 “(A) Copies of all reports that the State Chief Information Officer, the  
7 Department of Revenue or the [*Oregon Business Development Department*]  
8 **Oregon Department of Commerce and Trade** receives from counties and  
9 other local governments relating to properties in enterprise zones that have  
10 received tax exemptions under ORS 285C.170, 285C.175 or 285C.409, or that  
11 are eligible for tax exemptions under ORS 315.506, 315.507 or 317.124 by rea-  
12 son of being in an enterprise zone; and

13 “(B) Copies of any annual reports that agencies described in subsection  
14 (1) of this section are required by law to produce regarding the adminis-  
15 tration of statutes listed in subsection (2) of this section.

16 “(b) The reports must be submitted to the State Chief Information Officer  
17 in a manner and format that the State Chief Information Officer prescribes.

18 “(7) The information described in this section that is available on the  
19 Oregon transparency website must be accessible in the format and manner  
20 required by the State Chief Information Officer.

21 “(8) The information described in this section must be provided to the  
22 Oregon transparency website by posting reports and providing links to ex-  
23 isting information systems applications in accordance with standards estab-  
24 lished by the State Chief Information Officer.

25 **“SECTION 30.** ORS 279A.050 is amended to read:

26 “279A.050. (1)(a) Except as otherwise provided in the Public Contracting  
27 Code, a contracting agency shall exercise all of the contracting agency’s  
28 procurement authority in accordance with the provisions of the Public Con-  
29 tracting Code.

30 “(b) If a contracting agency has authority under this section to carry out

1 functions described in this section, or has authority to make procurements  
2 under a provision of law other than the Public Contracting Code, the con-  
3 tracting agency need not exercise the contracting agency's authority in ac-  
4 cordance with the provisions of the code if, under ORS 279A.025, the code  
5 does not apply to the contract or contracting agency.

6 “(2)(a) Except as otherwise provided in paragraph (b) of this subsection  
7 and the Public Contracting Code, for state agencies the Director of the  
8 Oregon Department of Administrative Services has all the authority avail-  
9 able to carry out the provisions of the Public Contracting Code.

10 “(b) Except as otherwise provided in the Public Contracting Code, for  
11 state agencies the director may delegate to the State Chief Information Of-  
12 ficer the authority to procure or supervise the procurement of all goods,  
13 services and personal services related to information technology and tele-  
14 communications for state contracting agencies. This paragraph does not ap-  
15 ply to contracts under which the contractor delivers to the state agency  
16 information technology products or services incidentally in performing a  
17 personal services contract described in ORS chapter 279C or a construction  
18 contract described in ORS chapter 279C.

19 “(3) Except as otherwise provided in the Public Contracting Code, the  
20 Director of Transportation has all the authority available to:

21 “(a) Procure or supervise the procurement of all services and personal  
22 services to construct, acquire, plan, design, maintain and operate passenger  
23 terminal facilities and motor vehicle parking facilities in connection with  
24 any public transportation system in accordance with ORS 184.689 (5);

25 “(b) Procure or supervise the procurement of all goods, services, public  
26 improvements and personal services that relate to operating, maintaining or  
27 constructing highways, bridges and other transportation facilities that are  
28 subject to the authority of the Department of Transportation; and

29 “(c) Establish standards for, prescribe forms for and conduct the pre-  
30 qualification of prospective bidders on public improvement contracts that

1 relate to operating, maintaining or constructing highways, bridges and other  
2 transportation facilities that are subject to the authority of the Department  
3 of Transportation.

4 “(4) Except as otherwise provided in the Public Contracting Code, the  
5 Secretary of State has all the authority to procure or supervise the pro-  
6 curement of goods, services and personal services related to programs under  
7 the authority of the Secretary of State.

8 “(5) Except as otherwise provided in the Public Contracting Code, the  
9 State Treasurer has all the authority to procure or supervise the procure-  
10 ment of goods, services and personal services related to programs under the  
11 authority of the State Treasurer.

12 “(6) The state agencies listed in this subsection have all the authority to  
13 do the following in accordance with the Public Contracting Code:

14 “(a) The Department of Human Services to procure or supervise the pro-  
15 curement of goods, services and personal services under ORS 179.040 for the  
16 department’s institutions and the procurement of goods, services and per-  
17 sonal services for constructing, demolishing, exchanging, maintaining, oper-  
18 ating and equipping housing for the purpose of providing care to individuals  
19 with intellectual disabilities or other developmental disabilities, subject to  
20 applicable provisions of ORS 427.335;

21 “(b) The Oregon Health Authority to procure or supervise the procure-  
22 ment of goods, services and personal services under ORS 179.040 and con-  
23 struction materials, equipment and supplies for the authority’s institutions  
24 and the procurement of goods, services, personal services, construction ma-  
25 terials, equipment and supplies for constructing, demolishing, exchanging,  
26 maintaining, operating and equipping housing for individuals with chronic  
27 mental illness, subject to applicable provisions of ORS 426.504;

28 “(c) The State Department of Fish and Wildlife to procure or supervise  
29 the procurement of construction materials, equipment, supplies, services and  
30 personal services for public improvements, public works or ordinary con-



1 construction described in ORS 279C.320 that is subject to the authority of the  
2 State Department of Fish and Wildlife;

3 “(d) The State Parks and Recreation Department to procure or supervise  
4 the procurement of all goods, services, public improvements and personal  
5 services related to state parks;

6 “(e) The Oregon Department of Aviation to procure or supervise the pro-  
7 curement of construction materials, equipment, supplies, services and per-  
8 sonal services for public improvements, public works or ordinary  
9 construction described in ORS 279C.320 that is subject to the authority of  
10 the Oregon Department of Aviation;

11 “(f) The [*Oregon Business Development Department*] **Oregon Department**  
12 **of Commerce and Trade** to procure or supervise the procurement of all  
13 goods, services, personal services and public improvements related to its  
14 foreign trade offices operating outside the state;

15 “(g) The Housing and Community Services Department to procure or su-  
16 pervise the procurement of goods, services and personal services that are  
17 unrelated to the department’s duties prescribed in ORS chapters 456 and 458,  
18 and not otherwise provided for by ORS 456.625 (19);

19 “(h) The Department of Corrections to procure or supervise the procure-  
20 ment of construction materials, equipment, supplies, services and personal  
21 services for public improvements, public works or ordinary construction de-  
22 scribed in ORS 279C.320 that is subject to the authority of the Department  
23 of Corrections;

24 “(i) The Department of Corrections, subject to any applicable provisions  
25 of ORS 279A.120, 279A.125, 279A.145 and 283.110 to 283.395, to procure or  
26 supervise the procurement of goods, services and personal services under  
27 ORS 179.040 for its institutions;

28 “(j) The Department of Veterans’ Affairs to procure or supervise the pro-  
29 curement of real estate broker and principal real estate broker services re-  
30 lated to programs under the department’s authority;

1 “(k) The Oregon Military Department to procure or supervise the pro-  
2 curement of construction materials, equipment, supplies, services and per-  
3 sonal services for public improvements, public works or ordinary  
4 construction described in ORS 279C.320 that is subject to the authority of  
5 the Oregon Military Department;

6 “(L) The Department of Education, subject to any applicable provisions  
7 of ORS 329.075, 329.085 and 329.485 and the federal Every Student Succeeds  
8 Act (P.L. 114-95, 129 Stat. 1802), to procure or supervise the procurement of  
9 goods, services, personal services and information technology related to stu-  
10 dent assessment;

11 “(m) The Department of Early Learning and Care to procure or supervise  
12 the procurement of goods, services, personal services and information tech-  
13 nology related to the authority of the department or the Early Learning  
14 Council; and

15 “(n) Any state agency to conduct a procurement when the agency is spe-  
16 cifically authorized by any provision of law other than the Public Contract-  
17 ing Code to enter into a contract.

18 “(7)(a) Notwithstanding this section and ORS 279A.140 (1), the Director  
19 of the Oregon Department of Administrative Services has exclusive author-  
20 ity, unless the director delegates the authority, to procure or supervise the  
21 procurement of all price agreements on behalf of the state agencies identified  
22 in subsection (6) of this section under which more than one state agency may  
23 order goods, services or personal services.

24 “(b) The director may delegate to the State Chief Information Officer the  
25 exclusive authority to procure or supervise the procurement of all price  
26 agreements related to information technology and telecommunications on  
27 behalf of the state agencies identified in subsection (6) of this section.  
28 Notwithstanding any authority that a state agency may have under sub-  
29 section (3) or (6) of this section, the state agency may not establish a price  
30 agreement or enter into a contract for goods, services or personal services

1 without the approval of the director or the State Chief Information Officer  
2 if the director or the State Chief Information Officer has established a price  
3 agreement for the goods, services or personal services.

4 “(c) The State Chief Information Officer may review any solicitation  
5 document for procuring information technology or telecommunications that  
6 a state agency intends to issue before the state agency issues the solicitation  
7 document and may require the state agency to name the State Chief Infor-  
8 mation Officer as a third-party beneficiary with full authority to enforce the  
9 terms and conditions of any public contract for information technology or  
10 telecommunications. The State Chief Information Officer must approve a  
11 state agency’s procurement for information technology or telecommuni-  
12 cations if the procurement has an anticipated contract price of \$1 million  
13 or more. The State Chief Information Officer may require the state agency  
14 to name the State Chief Information Officer as the contracting party on be-  
15 half of the State of Oregon in a procurement for information technology or  
16 telecommunications that has an anticipated contract price of \$1 million or  
17 more.

18 **“SECTION 31.** ORS 279A.105 is amended to read:

19 “279A.105. (1) A contracting agency may require a contractor to subcon-  
20 tract some part of a contract to, or to obtain materials for use in performing  
21 the contract from, a business that is certified under ORS 200.055 as an  
22 emerging small business or as a veteran-owned business.

23 “(2) A contracting agency may require a contractor to subcontract some  
24 part of a contract to, or to obtain materials to be used in performing the  
25 contract from, a business that is certified under ORS 200.055 as an emerging  
26 small business and that, as identified by the contracting agency, is located  
27 in or draws the business’s workforce from economically distressed areas, as  
28 designated by the [*Oregon Business Development Department*] **Oregon De-**  
29 **partment of Commerce and Trade.**

30 “(3) A contracting agency may require that a public contract be awarded

1 to a responsible bidder or proposer, as defined in ORS 200.005, that the con-  
2 tracting agency determines has made good faith efforts as prescribed in ORS  
3 200.045.

4 **“SECTION 32.** ORS 279A.107 is amended to read:

5 “279A.107. (1) A contracting agency that under ORS 279A.105 awards a  
6 public contract to a responsible bidder, as defined in ORS 200.005, that has  
7 made good faith efforts, as described in ORS 200.045 (3), or that awards a  
8 public contract in the course of carrying out an affirmative action goal,  
9 policy or program under ORS 279A.100 shall:

10 “(a) Provide as a material condition of the public contract that a con-  
11 tractor remain certified as a disadvantaged business enterprise, minority-  
12 owned business, woman-owned business, veteran-owned business or emerging  
13 small business under ORS 200.055 for the entire term of the public contract,  
14 if the contracting agency awarded the public contract, in whole or in part,  
15 on the basis of the contractor’s certification.

16 “(b) Require a contractor to provide in the contractor’s subcontracts that  
17 a subcontractor remain certified as a disadvantaged business enterprise,  
18 minority-owned business, woman-owned business, veteran-owned business or  
19 emerging small business under ORS 200.055 for the entire term of the sub-  
20 contract, if the contractor awards the subcontract, in whole or in part, on  
21 the basis of the subcontractor’s certification.

22 “(c) Verify the contractor’s or subcontractor’s compliance with the re-  
23 quirements set forth in paragraphs (a) and (b) of this subsection.

24 “(d) Verify that a contractor is paying a subcontractor that is certified  
25 under ORS 200.055 promptly as provided in ORS 279B.220 or 279C.570, as  
26 appropriate.

27 “(2)(a) If a contracting agency determines at any time during the term of  
28 a public contract that a contractor to which the contracting agency awarded  
29 the public contract on the basis described in subsection (1) of this section,  
30 or a subcontractor to which the contractor awarded a subcontract in con-

1 nection with the public contract on the basis described in subsection (1) of  
2 this section, is no longer certified, the contracting agency may:

3 “(A) Terminate the public contract;

4 “(B) Require the contractor to terminate the subcontract; or

5 “(C) Exercise any of the remedies for breach of contract that are reserved  
6 in the public contract.

7 “(b) The actions a contracting agency may take under paragraph (a) of  
8 this subsection are in addition to and not in lieu of any other action the  
9 [*Oregon Business Development Department*] **Oregon Department of Com-**  
10 **merce and Trade** may take with respect to the contractor or subcontractor  
11 under ORS 200.065.

12 “(c) Paragraph (a) of this subsection does not apply to an emerging small  
13 business as defined in ORS 200.005 that, because of growth in the number  
14 of full-time equivalent employees or average annual gross receipts that oc-  
15 curs during the term of the public contract, no longer qualifies as a tier one  
16 firm or tier two firm, as those terms are defined in ORS 200.005, or for which  
17 a certification under ORS 200.055 expires during the term of the public con-  
18 tract.

19 “**SECTION 33.** ORS 284.111 is amended to read:

20 “284.111. The Oregon Tourism Commission shall perform the following  
21 duties:

22 “(1) Serve as a body to advise governmental bodies and agencies and pri-  
23 vate persons on the development and implementation of state policies and  
24 programs relating to tourism and recreation and to assist in the coordination  
25 of these activities.

26 “(2) Advise the Governor and direct the executive director of the com-  
27 mission on all matters pertaining to tourism.

28 “(3) Prepare, approve and periodically revise and submit to the Governor,  
29 the Director of the [*Oregon Business Development Department*] **Oregon De-**  
30 **partment of Commerce and Trade** and tourism industry associations a

1 recommended comprehensive marketing plan for review by the Governor, the  
2 Director of the [*Oregon Business Development Department*] **Oregon Depart-**  
3 **ment of Commerce and Trade** and the tourism industry associations. The  
4 comprehensive marketing plan shall be directed toward the accomplishment  
5 of at least the following purposes:

6 “(a) Maximizing the return on public and private investment in tourism.

7 “(b) Encouraging longer stays by visitors to Oregon.

8 “(c) Reducing seasonal fluctuations in travel and tourist related indus-  
9 tries.

10 “(d) Encouraging visitors to be destination oriented in this state by tar-  
11 geting high-yield visitor segments that may include cultural tourism, agri-  
12 tourism, nature-based tourism or sports and adventure tourism.

13 “(e) Encouraging visitors from foreign countries to come to Oregon.

14 “(f) Encouraging Oregonians to vacation in Oregon.

15 “(4) Develop a biennial budget for all operations of the commission and  
16 submit the budget to the Governor.

17 “(5) Seek and receive the views of all levels of government and the private  
18 sector with respect to state programs and policies for the promotion and as-  
19 sistance of tourism.

20 “(6) Prepare and adopt administrative rules necessary for the operation  
21 of the programs of the commission.

22 “(7) Cooperate with educational institutions of the state in the develop-  
23 ment of educational programs preparing persons for supporting and leader-  
24 ship positions critical to the development of an economically strong and  
25 socially beneficial tourism industry in Oregon.

26 “(8) Cooperate with and provide expertise for communities and tourism  
27 marketing associations in the development and promotion of their tourism  
28 attractions and businesses.

29 “(9) Implement the comprehensive marketing plan described in subsection  
30 (3) of this section and promote tourism in the State of Oregon.

1        **“SECTION 34.** ORS 284.114 is amended to read:

2        “284.114. Upon receipt of a comprehensive marketing plan prepared or  
3 revised by the Oregon Tourism Commission under ORS 284.111, the Governor,  
4 the Director of the [*Oregon Business Development Department*] **Oregon De-**  
5 **partment of Commerce and Trade** and tourism industry associations may  
6 review the plan. If the Governor, the director or an industry association has  
7 any disagreement with the plan or if the Governor, director or an industry  
8 association desires anything included in the plan that is not in the plan  
9 when submitted, the Governor, director or industry association may submit  
10 recommendations for revision by the commission.

11       **“SECTION 35.** ORS 284.138 is amended to read:

12        “284.138. (1) The Oregon Tourism Commission shall administer a biennial  
13 matching grants program when the Legislative Assembly appropriates mon-  
14 eys therefor. The purpose of the matching grants program is to help develop  
15 and improve the economies of communities throughout Oregon by means of  
16 the improvement, expansion and promotion of the visitor industry.

17        “(2) The commission shall establish the maximum grant amount in the  
18 applicant guidelines prepared for the matching grants program in each  
19 biennium. No more than 50 percent of the total cost of a project may be paid  
20 for with moneys from the program. An applicant must show a minimum  
21 one-to-one match from private or public sources other than [*Oregon Business*  
22 *Development Department*] **Oregon Department of Commerce and Trade**  
23 or commission programs. The applicant must also show a cash match of at  
24 least 50 percent of the amount requested under the matching grants program.

25       **“SECTION 36.** ORS 284.367 is amended to read:

26        “284.367. (1) The Oregon Production Investment Fund is established in the  
27 State Treasury, separate and distinct from the General Fund. Interest earned  
28 by the Oregon Production Investment Fund shall be credited to the fund.

29        “(2) Moneys in the Oregon Production Investment Fund shall consist of:

30        “(a) Amounts donated to the fund;

1 “(b) Amounts appropriated or otherwise transferred to the fund by the  
2 Legislative Assembly;

3 “(c) Other amounts deposited in the fund from any source; and

4 “(d) Interest earned by the fund.

5 “(3) Eighty-seven and one-half percent of moneys in the fund are contin-  
6 uously appropriated to the [*Oregon Business Development Department*]  
7 **Oregon Department of Commerce and Trade** for the purposes of making:

8 “(a) Reimbursements to filmmakers or local media production services  
9 companies under ORS 284.368;

10 “(b) Payments to a tax credit marketer for marketing services provided  
11 by the marketer as described in ORS 284.369; and

12 “(c) Refunds described in ORS 315.514 (5).

13 “(4) Seven and one-half percent of moneys in the fund are continuously  
14 appropriated to the department for the purpose of making reimbursements  
15 to local filmmakers or local media production services companies under ORS  
16 284.368 (3). Total annual reimbursements to local media production services  
17 companies under this subsection may not exceed seven and one-half percent  
18 of the moneys deposited annually in the fund. On July 1 of each fiscal year,  
19 any moneys that remain unexpended or unallocated from the previous fiscal  
20 year may be used by the department for the purpose of making reimburse-  
21 ments to filmmakers or local media production services companies under  
22 ORS 284.368 (2).

23 “(5) Three percent of moneys in the fund are continuously appropriated  
24 to the department for the purpose of making payments to filmmakers under  
25 ORS 284.368 (4). Total annual payments to filmmakers under this subsection  
26 may not exceed five percent of the moneys deposited annually in the fund.  
27 On July 1 of each fiscal year, any moneys that remain unexpended or unal-  
28 located from the previous fiscal year may be used by the department for the  
29 purpose of making payments to filmmakers under this section. Any excess  
30 over five percent that remains unexpended or unallocated shall be used by



1 the department for the purpose of making reimbursements to filmmakers or  
2 local media production services companies under ORS 284.368 (2).

3 “(6) Two percent of moneys in the fund are continuously appropriated to  
4 the department for the purpose of making payments to entities under ORS  
5 284.371. On July 1 of each fiscal year, any moneys that remain unexpended  
6 or unallocated from the previous fiscal year may be used by the department  
7 for any purpose authorized under this section.

8 “(7) Expenditures from the fund are not subject to ORS 291.232 to 291.260.

9 **“SECTION 37.** ORS 284.368 is amended to read:

10 “284.368. (1) As used in this section:

11 “(a) ‘Actual Oregon expenses’ means the costs paid in Oregon for princi-  
12 pal photography, production or postproduction in Oregon of a film, or for  
13 media production services, including but not limited to the purchase or  
14 rental cost of equipment, food, lodging, real property and permits and pay-  
15 ments made for salaries, wages and benefits for work in Oregon.

16 “(b) ‘Film’ means a television movie or one or more episodes of a single  
17 television series, or a movie produced for release to theaters, video or the  
18 Internet. ‘Film’ does not include the production of a commercial or one or  
19 more segments of a newscast or sporting event.

20 “(c) ‘Filmmaker’ means a person who owns a television or film production  
21 company.

22 “(d) ‘Local filmmaker’ means a person who owns a television or film  
23 production company that has its principal place of business in this state.

24 “(e) ‘Local media production project’ means, if made or performed by a  
25 local media production services company, a single interactive video game or  
26 a portion thereof, or postproduction services for a single film.

27 “(f) ‘Local media production services company’ means a media production  
28 services company that has its principal place of business in this state.

29 “(g) ‘Media production services’ includes postproduction services and  
30 interactive video game development. ‘Media production services’ does not

1 include the production of a commercial or one or more segments of a  
2 newscast or sporting event.

3 “(h) ‘Media production services company’ means a person who is engaged  
4 in media production services.

5 “(i) ‘Portland metropolitan zone’ means the area within a 30-mile radius  
6 of the center of the Burnside Bridge in Portland.

7 “(j) ‘Resident of this state’ has the meaning given that term in ORS  
8 316.027.

9 “(2)(a) The [*Oregon Business Development Department*] **Oregon Depart-**  
10 **ment of Commerce and Trade** may reimburse a filmmaker or local media  
11 production services company for a portion of the actual Oregon expenses  
12 incurred by the filmmaker or local media production services company.

13 “(b) Maximum reimbursement for a single film or a single local media  
14 production project shall be the total of:

15 “(A) 20 percent of payments made for employee salaries, wages and bene-  
16 fits for work done in Oregon; and

17 “(B) 25 percent of all other actual Oregon expenses.

18 “(c) Notwithstanding paragraph (b) of this subsection, maximum re-  
19 imbursement for a single film may not exceed 50 percent of total moneys  
20 received by the Oregon Production Investment Fund during the biennium in  
21 which the actual Oregon expenses are incurred.

22 “(d) To qualify for reimbursement under this subsection, total actual  
23 Oregon expenses for a film or a local media production project must equal  
24 or exceed \$1 million.

25 “(3)(a) The department may reimburse a local filmmaker or local media  
26 production services company for all or a portion of the actual Oregon ex-  
27 penses, up to \$1 million, incurred by the local filmmaker or local media  
28 production services company.

29 “(b) To qualify for reimbursement under this subsection:

30 “(A) Total actual Oregon expenses paid for the film or media production

1 services must be at least \$75,000;

2 “(B) The local filmmaker or local media production services company  
3 must have spent 80 percent of the film’s payroll on employees who are resi-  
4 dents of this state; and

5 “(C) The local filmmaker or local media production services company  
6 must have employed or contracted with a public accountant certified under  
7 ORS 673.040 for the provision of payroll services.

8 “(4) In combination with the reimbursements allowed under subsections  
9 (2) and (3) of this section, the department may make an additional payment  
10 to a filmmaker for one of the following:

11 “(a) A travel and living expenses rebate of \$200 per employee per day, for  
12 any day that a film is shot entirely outside the Portland metropolitan zone,  
13 not to exceed \$10,000 per day or \$50,000 per film; or

14 “(b) An increase of 10 percent of the amount otherwise allowable under  
15 subsections (2) and (3) of this section, if for at least six days and at least  
16 one day more than half of its total shoot days in Oregon the film is shot  
17 entirely outside the Portland metropolitan zone.

18 “(5) Reimbursement under this section shall be made from moneys cred-  
19 ited to or deposited in the Oregon Production Investment Fund during the  
20 biennium in which the actual Oregon expenses were paid or any prior  
21 biennium. A reimbursement may not be made to the extent funds are not  
22 available in the fund to make the reimbursement.

23 “(6)(a) Total actual Oregon expenses supporting a claim for reimburse-  
24 ment under this section must be verified by the Oregon Film and Video Of-  
25 fice. The filmmaker or local media production services company must submit  
26 to the office proof of the actual Oregon expenses. The proof must include any  
27 documentation that may be required by the office in its discretion to verify  
28 the actual Oregon expenses.

29 “(b) The office may charge the filmmaker or local media production ser-  
30 vices company for costs reasonably incurred to verify the actual Oregon ex-

1 penses, including but not limited to the cost for a review or audit of the  
2 supporting documentation by an accountant or auditor. The office may re-  
3 quire the department to deduct the costs incurred by the office in performing  
4 its review or audit from any reimbursement made to the filmmaker or local  
5 media production services company under this section.

6 “(c) The office may adopt rules that establish a procedure for the sub-  
7 mission and verification of actual Oregon expenses.

8 **“SECTION 38.** ORS 284.555 is amended to read:

9 “284.555. (1) The Governor shall establish the Economic Revitalization  
10 Team in the office of the Governor for the purpose of coordinating and  
11 streamlining state policies, programs and procedures and providing coordi-  
12 nated state agency assistance to local governments.

13 “(2) The team shall establish a regulatory efficiency group to assist the  
14 team consisting of the directors of the following state agencies:

15 “(a) The Department of Environmental Quality;

16 “(b) The [*Oregon Business Development Department*] **Oregon Department**  
17 **of Commerce and Trade;**

18 “(c) The Department of Transportation;

19 “(d) The Department of State Lands;

20 “(e) The Department of Land Conservation and Development;

21 “(f) The State Department of Agriculture;

22 “(g) The Housing and Community Services Department; and

23 “(h) Other appropriate agencies as determined by the Governor.

24 “(3) Subject to the direction of the Governor, the team shall:

25 “(a) Develop mechanisms to increase coordination among agencies on  
26 common activities;

27 “(b) Coordinate the activities of state agencies on specific state and local  
28 projects;

29 “(c) Coordinate the planning and permitting activities of state agencies  
30 for the sites identified for industrial or traded sector development under

1 section 12, chapter 800, Oregon Laws 2003;

2 “(d) Coordinate activities of the regulatory efficiency group agencies with  
3 local governments;

4 “(e) Coordinate the grant and loan activities of state agencies to imple-  
5 ment section 12, chapter 800, Oregon Laws 2003;

6 “(f) Participate in the rulemaking activities of regulatory efficiency group  
7 agencies to coordinate economic development activities;

8 “(g) Prepare a report for the Seventy-second Legislative Assembly on the  
9 sites identified for industrial or traded sector development under section 12,  
10 chapter 800, Oregon Laws 2003, including a description of each site and the  
11 economic benefit expected from site development. If fewer than 25 sites are  
12 identified, the report must include an analysis of why the target set forth in  
13 section 12, chapter 800, Oregon Laws 2003, was not achieved;

14 “(h) Prepare a report for the Seventy-second Legislative Assembly with  
15 specific recommendations regarding the future of the team; and

16 “(i) Undertake other activities as directed by the Governor.

17 “(4) The team shall establish an advisory committee of individuals famil-  
18 iar with agency permit procedures to advise the Governor and the regulatory  
19 efficiency group agencies on permit issues related to economic development.

20 “(5) The team shall submit a report detailing its activities to the Legis-  
21 lative Assembly in the manner described in ORS 192.245 not later than Jan-  
22 uary 31 of each odd-numbered year. The report must include:

23 “(a) Case studies that demonstrate the types of problems encountered in  
24 coordinating agency functions;

25 “(b) Case studies that demonstrate statutory impediments to efficient  
26 economic development; and

27 “(c) Recommendations for legislative measures to improve agency oper-  
28 ations and statewide economic development.

29 “(6) The team or a state agency working with the team to implement ORS  
30 284.545 to 284.565 and sections 12 and 15 to 20, chapter 800, Oregon Laws

1 2003, or a state agency implementing ORS 284.570 to 284.585 may:

2 “(a) Accept and expend funds received from gifts, grants or other sources  
3 as necessary to perform activities authorized under ORS 284.545 to 284.565  
4 and sections 12 and 15 to 20, chapter 800, Oregon Laws 2003, or ORS 284.570  
5 to 284.585.

6 “(b) Enter into contracts and other agreements as necessary to perform  
7 activities authorized under ORS 284.545 to 284.565 and sections 12 and 15 to  
8 20, chapter 800, Oregon Laws 2003, or ORS 284.570 to 284.585.

9 **“SECTION 39.** ORS 284.565 is amended to read:

10 “284.565. The [*Oregon Business Development Department*] **Oregon De-**  
11 **partment of Commerce and Trade**, in coordination with the Economic  
12 Revitalization Team established pursuant to ORS 284.555, shall develop and  
13 administer a process for certifying sites throughout the state that are ready  
14 for industrial or traded sector development.

15 **“SECTION 40.** ORS 284.570 is amended to read:

16 “284.570. (1) The Governor shall direct the [*Oregon Business Development*  
17 *Commission*] **Oregon Commerce and Trade Commission**, in consultation  
18 with the Economic Revitalization Team established pursuant to ORS 284.555  
19 and other state agencies as appropriate, to appoint an advisory committee  
20 composed of representatives of local governments, ports, local economic de-  
21 velopment organizations and private industry and other individuals familiar  
22 with economic development strategies to assist the commission in developing  
23 a state economic development strategy. The commission shall, by adminis-  
24 trative rule, adopt and periodically update the strategy. The strategy must  
25 focus on:

26 “(a) Creating, expanding and retaining Oregon businesses;

27 “(b) Assisting in the development and growth of competitive industrial  
28 sectors;

29 “(c) Creating jobs by attracting new businesses to Oregon;

30 “(d) Providing economic development tools and resources to Oregon com-

1 munities;

2 “(e) Assisting local communities and regions in developing and maintain-  
3 ing economic development plans that are coordinated with the state eco-  
4 nomic development strategy;

5 “(f) Providing an adequate supply of industrial, commercial and retail  
6 sites available for immediate development inside urban growth boundaries;

7 “(g) Providing public infrastructure in a timely manner;

8 “(h) Resolving constraints on and removing barriers to the timely devel-  
9 opment of industrial and traded sector sites; and

10 “(i) Developing recommendations for prioritizing state loans, grants and  
11 technical assistance to local governments that meet the objectives of the  
12 state economic development strategy.

13 “(2) The commission shall present the state economic development strat-  
14 egy to the Governor and the Seventy-second Legislative Assembly not later  
15 than June 30, 2004, including a report on actions taken to implement the  
16 strategy.

17 **“SECTION 41.** ORS 284.594 is amended to read:

18 “284.594. (1) The [*Oregon Business Development Department*] **Oregon De-**  
19 **partment of Commerce and Trade** may appoint a Pacific Northwest  
20 Manufacturing Partnership Advisory Committee to advise and make recom-  
21 mendations to the department regarding the Pacific Northwest Manufactur-  
22 ing Partnership and manufacturing economic development in this state.

23 “(2) The advisory committee, if appointed, shall advise and make recom-  
24 mendations to the department regarding the following:

25 “(a) Goals and objectives of the partnership;

26 “(b) Policies, practices and procedures for the operation of the partner-  
27 ship, including but not limited to the following:

28 “(A) The manner in which members will convene and communicate to  
29 further the partnership’s goals and objectives;

30 “(B) The establishment of advisory and standing committees to accomplish

1 discrete goals or objectives of the partnership and prescribing the manner  
2 in which committees will report on recommendations to the partnership and  
3 the department;

4 “(C) Determining the distribution of responsibilities, including financial  
5 responsibilities, among members of the partnership;

6 “(D) Creating protocols for conflict avoidance and conflict resolution to  
7 resolve competing interests; and

8 “(E) Resolving any other issues of governance structure that arise in  
9 carrying out the goals and objectives of the partnership;

10 “(c) Making grants or loans, or providing other financial or technical  
11 assistance, to individuals and entities that have made application for assist-  
12 ance or submitted proposals for manufacturing economic development  
13 projects that will further the goals and objectives of the partnership;

14 “(d) Establishing guidelines and standards for manufacturing economic  
15 development projects that will receive financial and technical assistance  
16 from the partnership, including applicant eligibility requirements;

17 “(e) Developing outcome measures and other means for evaluating the  
18 progress or success of manufacturing economic development projects that  
19 have been funded, supported or undertaken by the partnership;

20 “(f) Identifying statistical compilation and other research endeavors that  
21 would assist the partnership to achieve its goals and objectives;

22 “(g) Coordinating efforts and expertise of members, identifying research  
23 that is needed to further the goals and objectives of the partnership, aligning  
24 resources and projects and providing other leadership that will maximize  
25 return on investments in the geographical region represented by the part-  
26 nership; and

27 “(h) Creating a website for the partnership that will provide information  
28 about the goals, objectives, purposes and projects of the partnership.

29 “(3) The Director of the [*Oregon Business Development Department*]  
30 **Oregon Department of Commerce and Trade** shall appoint members to



1 the advisory committee so as to reflect the geographic regions described in  
2 ORS 284.592.

3 “(4) The department shall provide staff support to the advisory committee.

4 “(5) If the [*Oregon Business Development Department*] **Oregon Depart-**  
5 **ment of Commerce and Trade** appoints the Pacific Northwest Manufac-  
6 turing Partnership Advisory Committee, in each year that the advisory  
7 committee is active, the department and the advisory committee shall report  
8 to the committees of the Legislative Assembly related to business and eco-  
9 nomic development regarding the implementation of ORS 284.590 to 284.597,  
10 commencing January 1, 2017.

11 **“SECTION 42. ORS 284.594 (5) is added to and made a part of ORS**  
12 **284.590 to 284.597.**

13 **“SECTION 43. ORS 284.597 is amended to read:**

14 “284.597. (1) The [*Oregon Business Development Department*] **Oregon De-**  
15 **partment of Commerce and Trade** shall facilitate regional collaboration  
16 among manufacturing economic development stakeholders through consulta-  
17 tion with and support of the Pacific Northwest Manufacturing Partnership  
18 in the geographic regions represented by the partnership by:

19 “(a) Providing financial assistance to businesses, programs and entities  
20 engaged in manufacturing economic development that are working in col-  
21 laboration with, or with the financial or technical assistance of, the part-  
22 nership;

23 “(b) Identifying and recruiting qualified investors and other sources of  
24 capital to support members of the partnership or manufacturing economic  
25 development projects identified by the partnership that are eligible for fi-  
26 nancial or technical assistance; and

27 “(c) Entering into contracts and agreements with institutions of higher  
28 education, research facilities, economic development entities and other man-  
29 ufacturing economic development entities for the purpose of supporting the  
30 goals and objectives of the partnership.

1       “(2) The department shall act on behalf of the partnership to apply or  
2 submit proposals for any federal funds, at the request of the partnership, that  
3 the partnership and the department determine will assist the partnership to  
4 achieve its goals and objectives, including but not limited to funding avail-  
5 able to designated manufacturing communities through the Investing in  
6 Manufacturing Communities Partnership program in the United States Eco-  
7 nomic Development Administration. The department may accept and enter  
8 into any contracts or agreements on behalf of the partnership for the receipt  
9 of the funds from the federal government or its agencies.

10       “**SECTION 44.** ORS 284.706 is amended to read:

11       “284.706. (1) There is created the Oregon Innovation Council consisting  
12 of the following voting members:

13       “(a) The Governor or the Governor’s designated representative, who shall  
14 be chairperson of the council.

15       “(b) Seven members appointed by the Governor who are experienced en-  
16 trepreneurs or investors or are engaged in the operations of Oregon traded  
17 sector industries or Oregon growth businesses.

18       “(c) Two members appointed by the Governor who represent Oregon-based  
19 higher education. Members may include a representative of an Oregon-based,  
20 generally accredited community college, a public university listed in ORS  
21 352.002, Oregon Health and Science University or an Oregon-based, generally  
22 accredited, not-for-profit private institution of higher education.

23       “(d) A member of the Oregon Growth Board, appointed by the board, who  
24 is experienced in making direct investments in new growth-based companies.

25       “(e) A private sector member of the State Workforce and Talent Devel-  
26 opment Board.

27       “(f) The Director of the [*Oregon Business Development Department*]  
28 **Oregon Department of Commerce and Trade** or a designee of the direc-  
29 tor.

30       “(g) The executive director of the Higher Education Coordinating Com-

1 mission.

2 “(h) The State Treasurer.

3 “(2)(a) The Speaker of the House of Representatives shall appoint two  
4 members to the council who are members of the House of Representatives.

5 “(b) The President of the Senate shall appoint two members to the council  
6 who are members of the Senate.

7 “(c) Members of the Legislative Assembly appointed to the council are  
8 nonvoting members and may act in an advisory capacity only.

9 “(3) The presiding officer of the [*Oregon Business Development Commis-*  
10 *sion*] **Oregon Commerce and Trade Commission** shall serve as an ex  
11 officio, nonvoting member of the council.

12 “(4) The term of office of each appointed voting member of the council is  
13 three years, but an appointed member serves at the pleasure of the appoint-  
14 ing authority. Before the expiration of the term of an appointed voting  
15 member, the appointing authority shall appoint a successor whose term be-  
16 gins on July 1 next following. An appointed member is eligible for reap-  
17 pointment for two additional terms. If there is a vacancy for any cause, the  
18 appointing authority shall make an appointment to become immediately ef-  
19 fective for the remainder of the unexpired term.

20 “(5) A majority of the actual membership of the council at the time of a  
21 meeting constitutes a quorum for the transaction of business.

22 “(6) Official action by the council requires the approval of a majority of  
23 the actual membership of the council at the time of the meeting.

24 “(7) The council shall meet at least four times per fiscal year at a place,  
25 day and time determined by the chairperson. The council may also meet at  
26 other times and places specified by a call of the chairperson or by written  
27 request of a majority of the voting members of the council.

28 “(8) The council may adopt rules necessary for the operation of the  
29 council.

30 “(9) The council shall establish an audit committee that shall monitor

1 performance of council contracts and of any grant agreement for an amount  
2 in excess of \$150,000.

3 “(10) The council may establish other committees and delegate to the  
4 committees duties as the council considers desirable.

5 “(11) The [*Oregon Business Development Department*] **Oregon Depart-**  
6 **ment of Commerce and Trade** shall provide staff support to the council.

7 “(12) Members of the council who are members of the Legislative Assem-  
8 bly are entitled to compensation and expense reimbursement as provided in  
9 ORS 171.072.

10 “(13) Members of the council who are not members of the Legislative  
11 Assembly are entitled to compensation and expenses incurred by them in the  
12 performance of their official duties in the manner and amounts provided for  
13 in ORS 292.495. Claims for compensation and expenses of members of the  
14 council who are public officers shall be paid out of funds appropriated to the  
15 public agency that employs the member. Claims for compensation and ex-  
16 penses of members of the council who are not public officers shall be paid  
17 out of funds appropriated to the [*Oregon Business Development Department*]  
18 **Oregon Department of Commerce and Trade** for that purpose.

19 “(14) All agencies of state government, as defined in ORS 174.111, are di-  
20 rected to assist the council in the performance of its duties and, to the extent  
21 permitted by laws relating to confidentiality, to furnish such information and  
22 advice as the members of the council consider necessary to perform their  
23 duties.

24 “**SECTION 45.** ORS 284.711 is amended to read:

25 “284.711. (1) The Oregon Innovation Council shall provide advice to the  
26 Governor, the Legislative Assembly, research institutions, public agencies  
27 that support economic development and the private sector on issues related  
28 to:

29 “(a) Promoting the commercialization of research from the private sector,  
30 universities and colleges, including investments in signature research centers

1 where Oregon has a distinct or emerging advantage;

2 “(b) Stimulating seed and start-up capital investment and entrepreneurial  
3 capacity that will promote economic growth in Oregon traded sector indus-  
4 tries or Oregon growth businesses; and

5 “(c) Developing the entrepreneurial and management capacity critical to  
6 the competitiveness of Oregon traded sector industries or Oregon growth  
7 businesses in rapidly growing global markets.

8 “(2) The council, the [*Oregon Business Development Commission*] **Oregon**  
9 **Commerce and Trade Commission**, the Higher Education Coordinating  
10 Commission and the office of the State Treasurer shall coordinate policies  
11 and programs related to the duties of the council.

12 “(3) Based on the state plan developed under ORS 284.715, on grants,  
13 loans and equity investments made under ORS 284.742 and on other relevant  
14 data and information, and subject to the approval of the [*Oregon Business*  
15 *Development Department*] **Oregon Department of Commerce and Trade**,  
16 the council may distribute moneys in the Oregon Innovation Fund by grant,  
17 loan or equity investment or pursuant to contracts with research insti-  
18 tutions, the private sector and public entities.

19 “(4) The council may assess and charge fees for making grants, loans or  
20 equity investments under ORS 284.742.

21 **“SECTION 46.** ORS 284.720 is amended to read:

22 “284.720. (1) There is created within the State Treasury, separate and  
23 distinct from the General Fund, the Oregon Innovation Fund. Interest earned  
24 by the Oregon Innovation Fund shall be credited to the fund.

25 “(2) Moneys in the Oregon Innovation Fund shall consist of:

26 “(a) Amounts donated to the fund;

27 “(b) Amounts appropriated or otherwise transferred to the fund by the  
28 Legislative Assembly;

29 “(c) Investment earnings received on moneys in the fund; and

30 “(d) Other amounts deposited in the fund from any source.

1 “(3) Moneys in the fund are continuously appropriated to the Oregon In-  
2 novation Council for the purposes of making grants, loans and equity in-  
3 vestments under ORS 284.742 and, subject to the approval of the [*Oregon*  
4 *Business Development Department*] **Oregon Department of Commerce and**  
5 **Trade**, entering into contracts and grant agreements to carry out the rec-  
6 ommendations included in the state plan developed under ORS 284.715.

7 “(4) The council may establish accounts and subaccounts within the fund  
8 when the council determines that accounts or subaccounts are necessary or  
9 desirable and may credit any interest or income derived from moneys in the  
10 fund to any account or subaccount in the fund.

11 “(5) The council may use moneys in the fund to pay the administrative  
12 costs associated with the fund and with making grants, loans, equity in-  
13 vestments and other distributions of moneys from the fund.

14 **“SECTION 47.** ORS 284.742 is amended to read:

15 “284.742. (1) Subject to the approval of the [*Oregon Business Development*  
16 *Department*] **Oregon Department of Commerce and Trade**, the Oregon  
17 Innovation Council may make grants, loans and equity investments from the  
18 Oregon Innovation Fund created under ORS 284.720 to fund proposals that  
19 have as their principal objectives:

20 “(a) The establishment of partnerships between, and collaborations with,  
21 research institutions and Oregon growth businesses for innovation-based  
22 economic development; or

23 “(b) The transfer of innovation-based economic development technology  
24 to the private sector or the commercialization of innovation-based economic  
25 development research and development in Oregon.

26 “(2)(a) The council may contract with one or more management companies  
27 to manage equity investments for purposes of this section and the programs  
28 funded by the Oregon Innovation Fund created under ORS 284.720.

29 “(b) A contract entered into under this subsection may be:

30 “(A) A partnership agreement under which the council is the limited

1 partner and the management company is the general partner; or

2 “(B) Another form of payment or profit-sharing arrangement under which  
3 the council may receive payment or another form of return in exchange for  
4 the council’s investment.

5 “(c) A contract entered into under this subsection shall require any  
6 management company managing investments pursuant to this subsection to:

7 “(A) Manage the investments subject to the policies and procedures and  
8 investment directives and strategies of the council or, if requested by the  
9 council, the Oregon Growth Board, with the care, skill and diligence that a  
10 prudent investor acting in a similar capacity and familiar with such invest-  
11 ments would use in managing the investments; and

12 “(B) Invest in Oregon an amount that is at least equal to the amount of  
13 the principal transferred from the Oregon Innovation Fund to the manage-  
14 ment company for investment.

15 “(3)(a) To qualify for a grant, loan or equity investment under subsection  
16 (1) of this section, a proposal must be submitted to the Oregon Innovation  
17 Council in the manner and with a fee as may be prescribed by rule.

18 “(b) All proposals funded under subsection (1) of this section must include  
19 performance metrics or reporting requirements or both, as prescribed by rule.

20 “(4) The [*Oregon Business Development Department*] **Oregon Department**  
21 **of Commerce and Trade** may adopt rules to implement programs recom-  
22 mended by the council to administer the provisions of this section or for  
23 other activities recommended by the council to promote innovation-based  
24 economic development.

25 **“SECTION 48.** ORS 284.745 is amended to read:

26 “284.745. As used in ORS 284.745 to 284.749, ‘bond-related costs’ means:

27 “(1) The costs and expenses of issuing and administering bonds under ORS  
28 284.745 to 284.749, including but not limited to:

29 “(a) Paying or redeeming the bonds, including principal, interest and  
30 premium, if any;

1 “(b) Paying amounts due in connection with credit enhancement devices  
2 or reserve instruments;

3 “(c) Paying the administrative costs and expenses of the State Treasurer,  
4 the [*Oregon Business Development Department*] **Oregon Department of**  
5 **Commerce and Trade** and the Oregon Innovation Council, including the  
6 cost of consultants, attorneys and advisers retained by the State Treasurer,  
7 the department or the council for the bonds; and

8 “(d) Any other costs or expenses that the State Treasurer, the department  
9 or the council determines are necessary or desirable in connection with is-  
10 suing or administering the bonds;

11 “(2) The cost of funding bond reserves;

12 “(3) Capitalized interest for the bonds; and

13 “(4) Rebates or penalties due to the United States in connection with the  
14 bonds.

15 **“SECTION 49.** ORS 284.746 is amended to read:

16 “284.746. (1)(a) The Oregon Innovation Council, in consultation with the  
17 [*Oregon Business Development Department*] **Oregon Department of Com-**  
18 **merce and Trade**, shall determine eligibility for revenue bond financing of  
19 proposals for funding under ORS 284.742 pursuant to rules adopted by the  
20 council in consultation with the department.

21 “(b) After determining that a proposal, grant, loan or equity investment  
22 is eligible for revenue bond financing under paragraph (a) of this subsection,  
23 the department shall forward a request for the issuance of revenue bonds to  
24 the State Treasurer.

25 “(2) The State Treasurer may issue revenue bonds subject to the budget  
26 authorization for bond issuance established under ORS 286A.035 for the de-  
27 partment and the council for the purpose of financing or refinancing, in  
28 whole or part, grants, loans and equity investments made under ORS 284.742,  
29 plus an additional amount to be estimated by the State Treasurer for pay-  
30 ment of bond-related costs.



1 “(3) Net proceeds of the revenue bonds issued pursuant to this section  
2 must be deposited in the Oregon Innovation Bond Fund established under  
3 ORS 284.747 for disbursement to the council to finance the making of grants,  
4 loans and equity investments under ORS 284.742.

5 “(4) Bond-related costs must be paid from the gross proceeds of the reve-  
6 nue bonds issued under this section and from moneys deposited in an account  
7 or subaccount of the Oregon Innovation Fund that has been established by  
8 the council specifically for this purpose.

9 “(5) The department and the council, with the approval of the State  
10 Treasurer, may irrevocably pledge and assign all or a portion of the moneys  
11 deposited in an account or subaccount of the Oregon Innovation Fund that  
12 has been established by the council specifically for the purpose of securing  
13 revenue bonds issued under this section or credit enhancements obtained for  
14 the revenue bonds issued under this section.

15 “(6) Revenue bonds issued under this section:

16 “(a) Are payable from the moneys deposited in an account or subaccount  
17 of the Oregon Innovation Fund that has been established by the council  
18 specifically for the purpose of making payments on revenue bonds issued  
19 under this section.

20 “(b) Do not constitute a debt or general obligation of the state, the Leg-  
21 islative Assembly or a political subdivision of this state but are secured  
22 solely by:

23 “(A) The moneys deposited in an account or subaccount of the Oregon  
24 Innovation Fund that has been established by the council specifically for the  
25 purpose of making payments on revenue bonds issued under this section;

26 “(B) Amounts in a debt service reserve account established with respect  
27 to revenue bonds issued under this section; or

28 “(C) A credit enhancement obtained for the revenue bonds issued under  
29 this section.

30 “(7) The State Treasurer, the department and the council have no obli-

1 gation to pay bond-related costs except as provided in this section. A holder  
2 of revenue bonds or other similar obligations issued under this section does  
3 not have the right to compel the exercise of the taxing power of the state  
4 to pay bond-related costs.

5 “(8) The holders of revenue bonds issued under this section, upon the is-  
6 suance of the revenue bonds, have a perfected lien on the moneys deposited  
7 in an account or subaccount of the Oregon Innovation Fund that has been  
8 established by the council specifically for the purpose of securing and mak-  
9 ing payments on revenue bonds issued under this section or credit enhance-  
10 ments obtained for the revenue bonds issued under this section. The lien and  
11 pledge are valid and binding from the date of issuance of the revenue bonds  
12 and are automatically perfected without physical delivery, filing or other act.  
13 The lien and pledge are superior to subsequent claims or liens on the moneys  
14 deposited in the Oregon Innovation Fund.

15 “(9) As long as any revenue bonds issued under this section are out-  
16 standing, the provisions of this section and the provisions of a security doc-  
17 ument related to the revenue bonds are deemed to be contracts between the  
18 state and holders of the revenue bonds. The state:

19 “(a) May not create a lien, encumbrance or any other obligation that is  
20 superior to the liens authorized by subsection (8) of this section on the  
21 moneys in the Oregon Innovation Fund that are pledged and assigned to the  
22 payment of the revenue bonds; and

23 “(b) May not give force or effect to a statute or initiative or referendum  
24 measure approved by the electors of this state if doing so would unconstitu-  
25 tionally impair existing covenants made with the holders of existing revenue  
26 bonds or would unconstitutionally impair other obligations or agreements  
27 regarding the security of revenue bonds to which the moneys deposited in  
28 the Oregon Innovation Fund are pledged and assigned.

29 “(10) The council is authorized to establish separate accounts or subac-  
30 counts within the Oregon Innovation Fund for separate bond issues.

1       “(11) The council may:

2       “(a) Make all contracts, execute all instruments and do all things neces-  
3 sary or convenient in the exercise of the powers granted by this section, in  
4 the performance of its covenants or duties, or in order to secure the payment  
5 of revenue bonds issued under this section; and

6       “(b) Enter into covenants for the benefit of bond holders regarding the  
7 use and expenditure of moneys in the Oregon Innovation Fund.

8       “(12) The State Treasurer, the department or the council may appoint  
9 bond counsel as prescribed in ORS 286A.130.

10       “**SECTION 50.** ORS 284.748 is amended to read:

11       “284.748. (1) The Oregon Innovation Debt Service Fund is established in  
12 the State Treasury, separate and distinct from the General Fund. The Oregon  
13 Innovation Debt Service Fund consists of:

14       “(a) An amount from the moneys deposited in the Oregon Innovation Fund  
15 credited to the Oregon Innovation Debt Service Fund by the State Treasurer  
16 that is necessary in a fiscal year, as determined by the Oregon Innovation  
17 Council, in consultation with the [*Oregon Business Development*  
18 *Department*] **Oregon Department of Commerce and Trade** and the State  
19 Treasurer, to pay the bond-related costs scheduled to be paid in that fiscal  
20 year on the revenue bonds issued under ORS 284.746;

21       “(b) Any funds appropriated or allocated to the Oregon Innovation Debt  
22 Service Fund; and

23       “(c) Investment earnings received on moneys in the Oregon Innovation  
24 Debt Service Fund.

25       “(2) Moneys in the Oregon Innovation Debt Service Fund are contin-  
26 uously appropriated to the Oregon Innovation Council to pay, when due, the  
27 bond-related costs on outstanding revenue bonds, to fund revenue bond re-  
28 serves and to pay amounts due in connection with credit enhancements.

29       “(3) The council, in consultation with the department and the State  
30 Treasurer, shall use amounts in the Oregon Innovation Debt Service Fund

1 to pay, when due, the bond-related costs on outstanding revenue bonds, to  
2 fund revenue bond reserves and to pay amounts due in connection with credit  
3 enhancements.

4 “(4) If the moneys deposited in the Oregon Innovation Fund are not suf-  
5 ficient to pay the bond-related costs due to be paid in a fiscal year, the  
6 council, in consultation with the department and the State Treasurer, shall  
7 make payments in that fiscal year according to the relative priority of rev-  
8 enue bonds secured by the moneys deposited in the Oregon Innovation Fund.

9 **“SECTION 51.** ORS 284.749 is amended to read:

10 “284.749. (1) The Oregon Innovation Bond Administration Fund is estab-  
11 lished in the State Treasury, separate and distinct from the General Fund.  
12 The Oregon Innovation Bond Administration Fund consists of:

13 “(a) The amount of revenue bond proceeds remaining after depositing the  
14 net proceeds in the Oregon Innovation Bond Fund pursuant to ORS 284.747;

15 “(b) The proceeds of revenue bonds issued to pay bond-related costs;

16 “(c) Any funds appropriated or allocated to the Oregon Innovation Bond  
17 Administration Fund; and

18 “(d) Investment earnings received on moneys in the Oregon Innovation  
19 Bond Administration Fund.

20 “(2) Moneys in the Oregon Innovation Bond Administration Fund are  
21 continuously appropriated to the Oregon Innovation Council for paying  
22 bond-related costs during the term of revenue bonds issued under ORS  
23 284.746.

24 “(3) The council, in consultation with the [*Oregon Business Development*  
25 *Department*] **Oregon Department of Commerce and Trade** and the State  
26 Treasurer, may use amounts in the Oregon Innovation Bond Administration  
27 Fund to pay bond-related costs during the term of revenue bonds issued un-  
28 der ORS 284.746. Amounts in the fund must be disbursed upon the written  
29 request of the council in consultation with the department.

30 **“SECTION 52.** ORS 284.751 is amended to read:

1 “284.751. (1) For the purposes of this section, ‘Oregon Solutions  
2 Network’ means the Oregon Solutions Network established pursuant to  
3 Executive Order 11-12 dated December 16, 2011, including but not limited to  
4 regional advisory committees and regional solutions centers within the net-  
5 work.

6 “(2) The [*Oregon Business Development Department*] **Oregon Department**  
7 **of Commerce and Trade** shall facilitate regional collaboration among the  
8 University of Oregon, Oregon State University and the Oregon Solutions  
9 Network in Lane, Linn and Benton Counties, for the purpose of assisting  
10 technology-based, start-up businesses in this state whose primary purpose is  
11 to commercialize university-based or university-assisted research and to in-  
12 crease the number of, and ensure the retention of, such businesses in the  
13 region.

14 “(3) The collaboration under subsection (2) of this section shall include,  
15 but not be limited to, the following:

16 “(a) Providing financial assistance to programs, entities and providers of  
17 technical business development and creation assistance and providing sup-  
18 port to technology-based, start-up businesses whose primary purpose is to  
19 commercialize university-based or university-assisted research.

20 “(b) Identifying and recruiting entrepreneurial talent, qualified investors  
21 and other sources of capital.

22 “(c) Acquiring, procuring, furnishing or improving facilities in or near  
23 Lane, Linn or Benton Counties, as identified by the University of Oregon,  
24 Oregon State University and the Oregon Solutions Network, for the opera-  
25 tion or support of businesses receiving assistance under this section, signa-  
26 ture research centers and other businesses, programs and entities involved  
27 in the commercialization of university-based or university-assisted research.

28 “(d) Establishing, connecting or expanding support programs, directly or  
29 indirectly, that provide assistance to technology-based, start-up businesses  
30 whose primary purpose is to commercialize university-based or university-

1 assisted research within and outside the region.

2 “(4) The department may enter into contracts and agreements with the  
3 University of Oregon, Oregon State University and the Oregon Solutions  
4 Network for the purpose of implementing and accomplishing the objectives  
5 set forth in subsection (3) of this section.

6 “(5) The department shall adopt rules to implement the provisions of this  
7 section.

8 **“SECTION 53.** ORS 284.754 is amended to read:

9 “284.754. (1) The Regional Solutions Program is established within the  
10 office of the Governor, in collaboration with state agencies, consisting of  
11 regional solutions centers described in subsection (2) of this section, regional  
12 solutions teams described in subsection (3) of this section and regional sol-  
13 utions advisory committees described in subsection (4) of this section. The  
14 program shall work with state agencies, local governments, public and pri-  
15 vate entities, philanthropic organizations and academic institutions, as ap-  
16 propriate, to develop and coordinate regional implementation projects,  
17 identify regional priorities for community and economic development, ad-  
18 dress issues and seize opportunities.

19 “(2) The Regional Solutions Program includes regional solutions centers  
20 located throughout this state. The centers provide a physical location for,  
21 and serve as the primary place for the business and operations of, the re-  
22 gional solutions teams and the regional solutions advisory committees.

23 “(3)(a) Each regional solutions team shall include a regional solutions  
24 coordinator and staff. Staff may include, but is not limited to, employees and  
25 representatives of the following state agencies:

26 “(A) The Department of Environmental Quality;

27 “(B) The Department of Land Conservation and Development;

28 “(C) The Department of Transportation;

29 “(D) The Housing and Community Services Department;

30 “(E) The [*Oregon Business Development Department*] **Oregon Department**

1 **of Commerce and Trade; and**

2 “(F) Other state agencies identified by the regional solutions coordinator  
3 and the regional solutions advisory committee to participate as necessary.

4 “(b) Regional solutions teams shall operate in conjunction and consulta-  
5 tion with regional solutions advisory committees.

6 “(c) Regional solutions teams shall address community and economic de-  
7 velopment by working to address regional issues, priorities and opportunities  
8 and leveraging funding opportunities for sound and long-term economic  
9 growth.

10 “(d) The directors and staff of the state agencies listed in paragraph (a)  
11 of this subsection and natural resource agencies shall work with regional  
12 solutions coordinators and regional solutions teams to fulfill regional prior-  
13 ities, in coordination with the office of the Governor.

14 “(e) Regional solutions teams shall review and evaluate regional imple-  
15 mentation project proposals submitted in consultation with regional sol-  
16 utions advisory committees.

17 “(f) In considering, reviewing or undertaking regional implementation  
18 project proposals or projects that involve significant environmental issues,  
19 regional solutions coordinators shall convene all affected stakeholders with  
20 the assistance of the Oregon Consensus Program established within the  
21 Mark O. Hatfield School of Government for the purpose of providing alter-  
22 native dispute resolution services to seek to resolve disputed issues, if any.

23 “(4)(a) A regional solutions advisory committee shall be appointed for  
24 each region. Each committee shall consist of a minimum of five members  
25 appointed by the Governor, and serving at the pleasure of the Governor, as  
26 follows:

27 “(A) One local convenor who represents the region, who shall serve as  
28 chairperson of the committee;

29 “(B) One representative recommended by the executive body of the Asso-  
30 ciation of Oregon Counties;

1 “(C) One representative recommended by the executive body of the League  
2 of Oregon Cities;

3 “(D) One person who represents local and regional business and industry  
4 interests; and

5 “(E) One person who represents philanthropic organizations.

6 “(b) Regional solutions advisory committees shall:

7 “(A) Establish regional priorities for community and economic develop-  
8 ment in the region;

9 “(B) Assist regional solutions coordinators and regional solutions teams  
10 with obtaining, and connecting to, resources and funding; and

11 “(C) Consider, review and recommend regional implementation project  
12 proposals.

13 “(c) In considering, reviewing and recommending regional implementation  
14 project proposals under this subsection, regional solutions advisory commit-  
15 tees shall consider whether the project proposal seeks to address the state’s  
16 economically, socially and environmentally sustainable goals and objectives  
17 described in ORS 184.423.

18 “(d) Members of the regional solutions advisory committees are not enti-  
19 tled to compensation for the performance of official duties and responsibil-  
20 ities.

21 “(e) The regional solutions coordinators and regional solutions teams  
22 shall provide staff to the regional solutions advisory committees as necessary  
23 to allow the committees to carry out the provisions of paragraph (b) of this  
24 subsection.

25 **“SECTION 54.** ORS 284.776 is amended to read:

26 “284.776. (1) The Eastern Oregon Border Economic Development Board is  
27 established to formulate and implement strategies and practices for strategic  
28 investment in workforce development and economic development in the  
29 Eastern Oregon Border Economic Development Region and to arrange for the  
30 awarding of grants and making of loans for the purpose of encouraging



1 workforce development and economic development in the region.

2 “(2) The board shall consist of seven voting members and one nonvoting  
3 member as follows:

4 “(a) The Governor shall appoint seven voting members from a list of eli-  
5 gible appointees with expertise in traded sector business, education,  
6 workforce development or economic development provided by the local gov-  
7 erning bodies within the region. The Governor shall request an updated list  
8 of eligible appointees from the local governing bodies within the region for  
9 the purpose of making appointments when vacancies occur.

10 “(b) The Director of the [*Oregon Business Development Department*]  
11 **Oregon Department of Commerce and Trade**, or the director’s designee,  
12 is an ex officio nonvoting member of the board.

13 “(3) The term of office of each voting member of the board is four years,  
14 but a member serves at the pleasure of the Governor. Before the expiration  
15 of the term of a voting member, the Governor shall appoint a successor  
16 whose term begins on January 1 next following. A member is eligible for  
17 reappointment for a total of two consecutive terms. If there is a vacancy for  
18 any cause, the Governor shall make an appointment to become immediately  
19 effective for the unexpired term.

20 “(4) The Governor shall appoint one voting member of the board as the  
21 chairperson.

22 “(5) A voting member of the board is entitled to compensation and ex-  
23 penses as provided in ORS 292.495.

24 “(6) A majority of the voting members of the board constitutes a quorum  
25 for the transaction of business.

26 “(7)(a) The board shall meet at least once every three months at a time  
27 and place determined by the chairperson. In addition, the board may meet  
28 at other times and places specified by the call of the chairperson or of a  
29 majority of the members of the board.

30 “(b) Meetings of the board are subject to ORS 192.610 to 192.705 governing

1 public meetings and ORS 192.311 to 192.478 governing public records.

2 “(8) The board may establish any advisory or technical committees the  
3 board considers necessary to aid and advise the board in the performance of  
4 its functions. The committees may be continuing or temporary committees.  
5 The board shall determine the representation, membership, terms and or-  
6 ganization of the committees and shall appoint the members of the commit-  
7 tees.

8 “(9)(a) Until the board has entered into an agreement with a third-party  
9 administrator pursuant to ORS 284.781 (4), the [*Oregon Business Development*  
10 *Department*] **Oregon Department of Commerce and Trade** shall provide  
11 staff to the board as necessary to allow the board to carry out the board’s  
12 responsibilities under ORS 284.771 to 284.801.

13 “(b) Upon entering into the agreement, the third-party administrator shall  
14 provide staff to the board as necessary.

15 **“SECTION 55.** ORS 284.781 is amended to read:

16 “284.781. The Eastern Oregon Border Economic Development Board has  
17 the following duties, functions and powers:

18 “(1) To identify policies and strategies that will:

19 “(a) Promote workforce development, including development of residential  
20 housing necessary to attract and keep employees in the Eastern Oregon  
21 Border Economic Development Region, and economic development;

22 “(b) Facilitate the development and prevent the decline of regionally sig-  
23 nificant industrial sites;

24 “(c) Create and maintain jobs in the region; and

25 “(d) Improve access to career and technical education, workforce training  
26 programs and higher education to enhance the availability of a qualified  
27 workforce for employers in the region.

28 “(2) To make recommendations to the Legislative Assembly for policies  
29 and strategies intended to improve the availability of career and technical  
30 education, workforce training programs and higher education for the purpose

1 of improving the availability of a qualified workforce for employers in the  
2 region.

3 “(3) To identify specific laws that place specific workforce development  
4 and economic development efforts in the region, including development of  
5 residential housing necessary to attract and keep employees in the region,  
6 at a competitive disadvantage with respect to the same type of efforts made  
7 in the areas across the Oregon border from the region and to take action in  
8 accordance with ORS 284.786 upon identifying such laws.

9 “(4) To enter into an agreement with a third-party administrator, subject  
10 to approval by the [*Oregon Business Development Department*] **Oregon De-**  
11 **partment of Commerce and Trade** under ORS 284.783, pursuant to which  
12 the third-party administrator shall operate one or more programs to award  
13 grants and make loans in accordance with ORS 284.791.

14 “(5) To facilitate collaboration among employers, local governments, state  
15 agencies and stakeholders for the purpose of enhancing and expanding  
16 workforce development and economic development in the region.

17 “(6) To consult with affected school districts, community colleges and  
18 universities and the Employment Department in identifying policies and  
19 strategies that will enhance and promote workforce development to improve  
20 the availability of a qualified workforce for employers in the region.

21 “(7) To adopt rules that define the region more specifically and to consult  
22 with the [*Oregon Business Development Department*] **Oregon Department**  
23 **of Commerce and Trade** in the rulemaking process.

24 “(8) To prescribe the form of the application required under ORS 284.791  
25 (3).

26 “**SECTION 56.** ORS 284.783 is amended to read:

27 “284.783. (1) Upon finalizing a proposed agreement with a third-party ad-  
28 ministrator pursuant to ORS 284.781 (4), the Eastern Oregon Border Eco-  
29 nomic Development Board shall submit the proposed agreement to the  
30 [*Oregon Business Development Department*] **Oregon Department of Com-**

1 **merce and Trade.**

2 “(2) The department shall review the proposed agreement and if the de-  
3 partment determines that the agreement is sufficient for the purposes of ORS  
4 284.771 to 284.801, department shall:

5 “(a) Notify the board and the third-party administrator of its determi-  
6 nation; and

7 “(b) Distribute to the third-party administrator all moneys in the Eastern  
8 Oregon Border Economic Development Board Fund established under ORS  
9 284.801 that are available for the purpose of awarding grants and making  
10 loans in accordance with ORS 284.791.

11 “(3)(a) If the department determines that the proposed agreement is not  
12 sufficient, the department shall return the agreement to the board with rec-  
13 ommendations for revising or rejecting the agreement.

14 “(b) The board may consult with the department regarding the  
15 department’s recommendations and, with the department’s approval, resubmit  
16 the agreement with appropriate changes as necessary.

17 “(4)(a) The board or the third-party administrator may terminate the  
18 agreement at any time.

19 “(b) Upon termination of the agreement by either party, the third-party  
20 administrator shall transfer all unspent and unobligated moneys remaining  
21 from the moneys distributed under subsection (2) of this section to the de-  
22 partment for deposit in the Eastern Oregon Border Economic Development  
23 Board Fund.

24 **“SECTION 57.** ORS 284.793 is amended to read:

25 “284.793. (1) On or before June 30 of each year, the third-party adminis-  
26 trator shall submit the following information from the previous 12 months  
27 to the Eastern Oregon Border Economic Development Board:

28 “(a) The number of businesses or regionally significant industrial sites  
29 that were assisted with grants awarded and loans made through programs  
30 under ORS 284.791;

1 “(b) The types and amount of resources leveraged by the grant and loan  
2 moneys;

3 “(c) The return on investment, performance and outcome with respect to  
4 jobs and wages in any area of the Eastern Oregon Border Economic Devel-  
5 opment Region in which grant and loan moneys were utilized; and

6 “(d) Any other information the third-party administrator considers useful  
7 in evaluating the experience of the grant and loan programs.

8 “(2)(a) On or before September 15 of each year, the Eastern Oregon Border  
9 Economic Development Board, jointly with the [*Oregon Business Develop-*  
10 *ment Department*] **Oregon Department of Commerce and Trade**, shall  
11 submit a report to the Legislative Assembly, in the manner required under  
12 ORS 192.245, that sets forth the information received from the third-party  
13 administrator under subsection (1) of this section and any other information  
14 from any source that the Eastern Oregon Border Economic Development  
15 Board thinks convenient or necessary for evaluating the administration and  
16 experience of the grant and loan program established under ORS 284.771 to  
17 284.801.

18 “(b) The Eastern Oregon Border Economic Development Board’s report  
19 may include recommendations for legislation and strategies to improve  
20 workforce development and economic development in the region.

21 **“SECTION 58.** ORS 284.796 is amended to read:

22 “284.796. The Eastern Oregon Border Economic Development Board shall  
23 adopt rules to implement and administer the provisions of ORS 284.771 to  
24 284.801 and may consult with the [*Oregon Business Development*  
25 *Department*] **Oregon Department of Commerce and Trade** in the  
26 rulemaking process.

27 **“SECTION 59.** ORS 284.801 is amended to read:

28 “284.801. (1) The Eastern Oregon Border Economic Development Board  
29 Fund is established in the State Treasury, separate and distinct from the  
30 General Fund. Interest earned by the Eastern Oregon Border Economic De-

1 velopment Board Fund shall be credited to the fund.

2 “(2) Moneys in the fund are continuously appropriated to the [*Oregon*  
3 *Business Development Department*] **Oregon Department of Commerce and**  
4 **Trade** for distribution to the third-party administrator under ORS 284.783.

5 “(3) Moneys in the Eastern Oregon Border Economic Development Board  
6 Fund consist of:

7 “(a) Moneys returned to the fund upon termination of an agreement pur-  
8 suant to ORS 284.783 (4)(b);

9 “(b) Amounts appropriated or otherwise transferred to the fund by the  
10 Legislative Assembly;

11 “(c) Amounts donated to the fund;

12 “(d) Moneys transferred to the fund from the federal government, state  
13 agencies or local governments;

14 “(e) Lottery bond proceeds allocated by the Legislative Assembly for de-  
15 posit in the fund;

16 “(f) Earnings received on moneys in the fund; and

17 “(g) Other amounts deposited in the fund from any source.

18 “**SECTION 60.** ORS 284.883 is amended to read:

19 “284.883. (1) The Oregon Growth Board is established to formulate and  
20 implement policies and procedures to administer ORS 284.881 to 284.890, and  
21 to make recommendations for the investment, reinvestment, management and  
22 coordination of funds in the Oregon Growth Account established under ORS  
23 348.702 and the Oregon Growth Fund established under ORS 284.890.

24 “(2) The board shall consist of nine voting members and one to three  
25 nonvoting members as follows:

26 “(a) The State Treasurer shall be an ex officio voting member of the  
27 board.

28 “(b) The Director of the [*Oregon Business Development Department*]  
29 **Oregon Department of Commerce and Trade**, or the director’s designee,  
30 shall be an ex officio nonvoting member of the board.

1       “(c) The Governor shall appoint eight voting members, subject to Senate  
2 confirmation under ORS 171.562 and 171.565 and the following:

3       “(A) Two of the members shall be persons who do not belong to the same  
4 political party, who reflect the identity of the Legislative Assembly by poli-  
5 tical party affiliation at the time the persons are appointed and who are se-  
6 lected from a list of four candidates, each candidate recommended by the  
7 President of the Senate, the Minority Leader of the Senate, the Speaker of  
8 the House of Representatives or the Minority Leader of the House of Rep-  
9 resentatives, respectively.

10       “(B) Members shall include at least one representative from each con-  
11 gressional district in this state.

12       “(C) Six members shall be appointed as follows:

13       “(i) One member with experience in banking;

14       “(ii) One member with experience in credit union operations;

15       “(iii) One member with experience managing investments;

16       “(iv) One member with experience as a small business employer in this  
17 state; and

18       “(v) Two at-large members.

19       “(d) Two members of the Legislative Assembly that belong to different  
20 political parties as determined by the appropriate entry on official election  
21 registration cards, who are appointed by agreement of the President of the  
22 Senate, the Minority Leader of the Senate, the Speaker of the House of  
23 Representatives and the Minority Leader of the House of Representatives,  
24 shall serve as nonvoting members of the board. If an agreement cannot be  
25 reached on both members of the Legislative Assembly to serve on the board,  
26 no appointment shall be made under this paragraph.

27       “(3) The term of office of each member who is not an ex officio member  
28 is four years. A member appointed by the Governor serves at the pleasure  
29 of the Governor. Before the expiration of the term of a member who is not  
30 an ex officio member, the appointing authority shall appoint a successor

1 whose term begins on January 1 next following. A member is eligible for  
2 reappointment. If there is a vacancy for any cause, including but not limited  
3 to the end of a term of membership in the Legislative Assembly, the ap-  
4 pointing authority shall make an appointment to become immediately effec-  
5 tive for the unexpired term.

6 “(4) The board shall select one of its members as chairperson and another  
7 to serve as a liaison with local governments for such terms and with duties  
8 and powers necessary for the performance of the functions of these offices  
9 as the board determines, consistent with this section.

10 “(5) A majority of the voting members of the board constitutes a quorum  
11 for the transaction of business.

12 “(6) A member of the board may receive compensation and reimbursement  
13 for expenses as follows:

14 “(a) Members of the Legislative Assembly as provided in ORS 171.072.

15 “(b) Nonlegislative members in the manner and amounts provided in ORS  
16 292.495. Claims for compensation and expenses incurred in performing the  
17 functions of the board shall be paid out of funds appropriated to the board  
18 for that purpose.

19 “(7) The [*Oregon Business Development Department*] **Oregon Department**  
20 **of Commerce and Trade** shall provide staff to the board as necessary to  
21 allow the board to carry out its responsibilities under ORS 284.881 to 284.890.

22 “**SECTION 61.** ORS 284.890 is amended to read:

23 “284.890. (1) The Oregon Growth Fund is established in the State Treas-  
24 ury, separate and distinct from the General Fund. Interest earned by the  
25 Oregon Growth Fund shall be credited to the fund.

26 “(2) Moneys in the Oregon Growth Fund consist of:

27 “(a) Amounts donated to the fund;

28 “(b) Moneys transferred to the fund from the federal government, state  
29 agencies or local governments;

30 “(c) Amounts appropriated or otherwise transferred to the fund by the



1 Legislative Assembly;

2 “(d) Earnings received on moneys in the fund; and

3 “(e) Other amounts deposited in the fund from any source.

4 “(3) Moneys in the fund are continuously appropriated to the [*Oregon*  
5 *Business Development Department*] **Oregon Department of Commerce and**  
6 **Trade** for the use of the Oregon Growth Board for the purposes set forth in  
7 ORS 284.881 to 284.890.

8 “(4) The department may establish accounts and subaccounts within the  
9 fund when the department determines that accounts or subaccounts are nec-  
10 essary or desirable and may credit any interest or income derived from  
11 moneys in the fund to any account or subaccount in the fund.

12 “(5) The department may use moneys in the fund to pay the administrative  
13 costs associated with the fund and with administering ORS 284.881 to 284.890.

14 **“SECTION 62.** ORS 285A.010 is amended to read:

15 “285A.010. As used in ORS 284.101 to 284.148 and ORS chapters 285A, 285B  
16 and 285C, unless the context requires otherwise:

17 “(1) ‘Administrator’ means the administrator of the Oregon Infrastructure  
18 Finance Authority.

19 “(2) ‘Association’ means a nonprofit, private, incorporated or unincor-  
20 porated institution, foundation, organization, entity or group, whether local,  
21 state, regional or national, that is operating or doing business in Oregon.

22 “(3) ‘Authority’ means the Oregon Infrastructure Finance Authority.

23 “(4) ‘Board’ means the Oregon Infrastructure Finance Authority Board.

24 “(5) ‘Commission’ means the [*Oregon Business Development Commission*]  
25 **Oregon Commerce and Trade Commission.**

26 “(6) ‘Community’ means an area or locality in which the body of inhab-  
27 itants has common economic or employment interests. The term is not lim-  
28 ited to a city, county or other political subdivision and need not, but may  
29 be, limited by political boundaries.

30 “(7) ‘Department’ means the [*Oregon Business Development Department*]

1 **Oregon Department of Commerce and Trade.**

2 “(8) ‘Director’ means the Director of the [*Oregon Business Development*  
3 *Department*] **Oregon Department of Commerce and Trade.**

4 “(9) ‘Distressed area’ means a county, city, community or other ge-  
5 ographic area that is designated as a distressed area by the department,  
6 based on indicators of economic distress or dislocation, including but not  
7 limited to unemployment, poverty and job loss.

8 “(10) ‘International trade’ means the export and import of products and  
9 services and the movement of capital for the purpose of investment.

10 “(11) ‘Local government’ has the meaning given that term in ORS 174.116.

11 “(12) ‘Municipality’ means an Oregon city or county, the Port of Portland  
12 created by ORS 778.010, a county service district organized under ORS  
13 chapter 451, a district as defined in ORS 198.010, a tribal council of a feder-  
14 ally recognized Indian tribe in this state or an airport district organized  
15 under ORS chapter 838.

16 “(13) ‘Public body’ has the meaning given that term in ORS 174.109.

17 “(14) ‘Rural area’ means an area located entirely outside of the acknowl-  
18 edged Portland Metropolitan Area Regional Urban Growth Boundary and the  
19 acknowledged urban growth boundaries of cities with populations of 30,000  
20 or more.

21 “(15) ‘Small business’ means a business having 100 or fewer employees.

22 “(16) ‘State agency’ includes state officers, departments, boards and com-  
23 missions.

24 “(17) ‘Traded sector’ means industries in which member firms sell their  
25 goods or services into markets for which national or international competi-  
26 tion exists.

27 **“SECTION 63.** ORS 285A.020 is amended to read:

28 “285A.020. (1) The Legislative Assembly finds that:

29 “(a) Oregon possesses unique and sustaining virtues that will guide and  
30 assist in maintaining the state’s economic health, including but not limited

1 to Oregon's:

2 "(A) Special heritage;

3 "(B) Respect for and cultivation of the environment; and

4 "(C) Attention to quality of life issues that are important to the state's  
5 economic development, including but not limited to access to quality, af-  
6 fordable child care for all children in Oregon.

7 "(b) Oregon is strategically placed to compete and succeed in the global  
8 marketplace.

9 "(c) All regions of the state should share in Oregon's economic recovery.

10 "(d) Creating and retaining quality jobs are vital to the state's economic  
11 health.

12 "(e) Oregon's agriculture and natural resource industries provide oppor-  
13 tunities for beneficial economic enterprise, including sustainable business  
14 development activities.

15 "(f) A well educated and trained workforce is necessary to support busi-  
16 ness and industry needs throughout the state.

17 "(g) The ability of existing businesses to grow is critical to Oregon's  
18 prosperity.

19 "(h) The state must utilize its competitive advantages to retain existing  
20 businesses and attract new companies and investment into the state.

21 "(i) Continued development in Oregon depends on strengthening traded  
22 sector industries.

23 "(j) International trade and development of international trade are es-  
24 sential for future business development opportunities.

25 "(k) Small businesses remain a critical element of the state's economy.

26 "(L) Capacity building to support business development in rural and dis-  
27 tressed areas is a key component of economic development and revitalization  
28 efforts.

29 "(m) Oregon's ports are important partners in the state's economic de-  
30 velopment efforts and are key components of local and state economic de-

1 velopment strategies.

2 “(n) Improving and enhancing infrastructure is necessary to the state’s  
3 future economic development.

4 “(o) Federal, state and local agencies working together will continue to  
5 enhance industrial site development and other economic development activ-  
6 ities.

7 “(2) It is the purpose of ORS 284.101 to 284.148 and ORS chapters 285A,  
8 285B and 285C to enable the creation, retention, expansion and attraction  
9 of businesses that provide sustainable, living wage jobs for Oregonians  
10 through public-private partnerships and leveraged funding and to support  
11 economic opportunities for Oregon companies and entrepreneurs.

12 “(3) The Legislative Assembly declares that it is the immediate economic  
13 strategy of the state to:

14 “(a) Promote a favorable investment climate to strengthen businesses,  
15 create jobs and raise real wages;

16 “(b) Improve the national and global competitiveness of Oregon compa-  
17 nies; and

18 “(c) Assist and further efforts to retain, expand and attract businesses.

19 “(4) To promote the advancement of the Oregon economy and implement  
20 the immediate economic strategy of the state, the [*Oregon Business Develop-*  
21 *ment Department*] **Oregon Department of Commerce and Trade** shall in-  
22 vest resources in accordance with the following principles:

23 “(a) Processes for making public investments and working with local and  
24 regional issues must be designed for flexibility so that actions can adapt to  
25 the constantly changing conditions and demands under which communities  
26 and businesses operate.

27 “(b) Partnerships among local, state and federal governments and public  
28 and private organizations and entities should be strengthened to further the  
29 economic strategy of the state.

30 “(c) The expected impact of public investment and assistance shall be

1 identified, in terms of measurable outcomes, whenever possible.

2 “(d) State, federal and community goals, constraints and obligations  
3 should be identified at the beginning of the planning process, and the state  
4 should work actively with community partners, regions and state and local  
5 agencies to address and accomplish their mutual objectives.

6 “(5) When the department provides funds or assistance for projects, pro-  
7 grams, technical support or other authorized activities pursuant to ORS  
8 284.101 to 284.148 and ORS chapters 285A, 285B and 285C, the department  
9 shall give priority to projects, programs and activities that:

10 “(a) Retain and create jobs and raise real wages;

11 “(b) Promote capacity building, emphasizing rural and distressed areas to  
12 further economic development initiatives;

13 “(c) Assist small business creation and expansion;

14 “(d) Invest and engage in training a skilled workforce;

15 “(e) Retain and expand existing companies and recruit new investment to  
16 Oregon;

17 “(f) Capitalize on Oregon’s competitive advantages and strategically in-  
18 vest resources to offset competitive disadvantages;

19 “(g) Support innovation and research;

20 “(h) Assist industry clusters to succeed;

21 “(i) Market Oregon’s advantages;

22 “(j) Promote international trade and attract foreign direct investment;

23 “(k) Support the development of industrial and commercial lands;

24 “(L) Advance the efforts of ports to promote economic development ac-  
25 tivities; and

26 “(m) Build capacity in Oregon’s arts and cultural organizations, creative  
27 businesses and individual artists.

28 “**SECTION 64.** ORS 285A.040 is amended to read:

29 “285A.040. (1) There is established the [*Oregon Business Development*  
30 *Commission*] **Oregon Commerce and Trade Commission** consisting of nine

1 members appointed as follows:

2 “(a) One nonvoting member appointed from among the members of the  
3 Senate by the President of the Senate;

4 “(b) One nonvoting member appointed from among the members of the  
5 House of Representatives by the Speaker of the House of Representatives;  
6 and

7 “(c) Seven members appointed by the Governor, subject to confirmation  
8 by the Senate in the manner prescribed in ORS 171.562 and 171.565. The  
9 Governor shall appoint members of the commission in compliance with all  
10 of the following:

11 “(A) Members shall be appointed with consideration given to represen-  
12 tation of the different geographic regions of the state, and at least one  
13 member shall be a resident of the area east of the Cascade Range.

14 “(B) Not more than five members may belong to one political party. Party  
15 affiliation shall be determined by the appropriate entry on official election  
16 registration cards.

17 “(C) Members shall be appointed with consideration given to represen-  
18 tation of the following areas of expertise or training:

19 “(i) International trade;

20 “(ii) Traded sector business development;

21 “(iii) Small business development;

22 “(iv) Local economic development;

23 “(v) Finance and business investment;

24 “(vi) Innovation; or

25 “(vii) Other areas of training or expertise identified by the Governor.

26 “(2)(a) The term of office of each member appointed by the Governor is  
27 four years, but a member serves at the pleasure of the Governor. Before the  
28 expiration of the term of a member appointed by the Governor, the Governor  
29 shall appoint a successor whose term begins on July 1 of the following year.  
30 A member appointed by the Governor is eligible for reappointment. In case

1 of a vacancy among the members appointed by the Governor for any cause,  
2 the Governor shall appoint a person to fill the office for the unexpired term.

3 “(b) The term of office of the member appointed by the President of the  
4 Senate is four years. In case of a vacancy for any cause, the President of the  
5 Senate shall appoint a Senator to fill the office for the unexpired term.

6 “(c) The term of office of the member appointed by the Speaker of the  
7 House of Representatives is two years. In case of a vacancy for any cause,  
8 the Speaker of the House of Representatives shall appoint a Representative  
9 to fill the office for the unexpired term.

10 “(3) A member of the commission who is appointed by the Governor is  
11 entitled to compensation and expenses as provided by ORS 292.495. Legisla-  
12 tive members of the commission are prohibited from receiving compensation  
13 and reimbursement for expenses.

14 “(4) Subject to confirmation by the Senate, the Governor shall appoint  
15 one of the voting commissioners as presiding officer of the commission. The  
16 presiding officer shall have duties and powers as the commission determines  
17 are necessary for the office.

18 “(5) Five voting members of the commission constitute a quorum for the  
19 transaction of business.

20 “(6) The commission shall meet at least quarterly at a time and place  
21 determined by the commission. The commission shall also meet at other  
22 times and places as are specified by the call of the presiding officer or by  
23 the call of a majority of the voting members of the commission.

24 “(7) A vacancy among the voting members of the commission does not  
25 impair the right of the remaining voting commissioners to exercise all the  
26 powers of the commission. If the remaining voting commissioners are unable  
27 to agree, the Governor shall have the right to vote as a member of the  
28 commission.

29 “(8) A member of the commission appointed due to expertise or training  
30 in local economic development described in subsection (1)(c)(C)(iv) of this

1 section shall also be an elected local government official with experience in  
2 economic development matters.

3 **“SECTION 65.** ORS 285A.045 is amended to read:

4 “285A.045. (1) As its primary duty, the [*Oregon Business Development*  
5 *Commission*] **Oregon Commerce and Trade Commission** shall develop and  
6 maintain the economic development policy and strategy for this state out-  
7 lined in ORS 285A.020.

8 “(2) The commission shall provide oversight and direction to the [*Oregon*  
9 *Business Development Department*] **Oregon Department of Commerce and**  
10 **Trade** in carrying out the economic development policies and strategy es-  
11 tablished by the commission. In addition, the commission may perform any  
12 other duty vested in the commission by law.

13 “(3) The commission shall keep complete and accurate records of all the  
14 meetings, transactions and business of the commission at the office of the  
15 department.

16 “(4) When a power, duty or function is vested in the commission, the  
17 commission may designate department officers, agents, employees or com-  
18 mittee members to exercise the power, duty or function of the commission.  
19 When the commission designates a person in writing to exercise a power,  
20 duty or function of the commission, the person may exercise the power, duty  
21 or function.

22 “(5) In carrying out its duties under subsection (1) of this section, the  
23 commission shall coordinate its activities with federal, state and local  
24 agencies, community partners and regions, when appropriate.

25 “(6) The commission may prepare and submit suggested administrative  
26 rules to the Director of the [*Oregon Business Development Department*]  
27 **Oregon Department of Commerce and Trade** that the commission deter-  
28 mines are necessary for the objectives and programs of the department.

29 **“SECTION 66.** ORS 285A.050 is amended to read:

30 “285A.050. (1) The [*Oregon Business Development Commission*] **Oregon**



1 **Commerce and Trade Commission** shall report biennially to the Governor  
2 and the Legislative Assembly on the success of economic development efforts.  
3 The report shall include the progress toward achievement of performance  
4 measures for the [*Oregon Business Development Department*] **Oregon De-**  
5 **partment of Commerce and Trade** as adopted by the Legislative Assembly.  
6 At a minimum, the report shall include the following:

7 “(a) For the overall department and for identifiable programs and funding  
8 sources:

9 “(A) The number of jobs created and retained;

10 “(B) The average wage levels of jobs created and retained; and

11 “(C) Other measures identified by the commission.

12 “(b) The status of the Oregon economy as it relates to the economic  
13 strategy outlined in ORS 285A.020.

14 “(c) Other issues identified by the commission.

15 “(2) Reports to the Legislative Assembly required under this section shall  
16 be made in accordance with ORS 192.245.

17 **“SECTION 67.** ORS 285A.055 is amended to read:

18 “285A.055. Prior to the approval of bond financing of economic develop-  
19 ment projects under ORS 285B.320 to 285B.371 or the making of loans or the  
20 granting of any moneys from any source, the [*Oregon Business Development*  
21 *Commission*] **Oregon Commerce and Trade Commission**, or the [*Oregon*  
22 *Business Development Department*] **Oregon Department of Commerce and**  
23 **Trade** as the designee of the commission, shall:

24 “(1) Determine that the action is cost effective, considering both major  
25 public expenses and major public benefits;

26 “(2) Find that the project will produce goods or services which are sold  
27 in markets for which national or international competition exists or, if the  
28 project is to be constructed and operated by a nonprofit organization, that  
29 the project will not compete with local for-profit businesses;

30 “(3) Determine that the action is the best use of the moneys involved,

1 considering other pending applications for those moneys;

2 “(4) Find that the project involved is consistent with the [*Oregon Business*  
3 *Development Department’s*] **Oregon Department of Commerce and Trade’s**  
4 comprehensive policy and programs; and

5 “(5) Find that the project involved is consistent with applicable adopted  
6 local economic development plans.

7 **“SECTION 68.** ORS 285A.060 is amended to read:

8 “285A.060. (1) To aid and advise the [*Oregon Business Development Com-*  
9 *mission*] **Oregon Commerce and Trade Commission** in the performance  
10 of its duties, the commission may establish such advisory and technical  
11 committees as it considers necessary. Such committees may be continuing  
12 or temporary. The presiding officer of the commission shall determine the  
13 representation, membership, terms and organization of the committees and  
14 shall appoint their members. Members shall be appointed with due consider-  
15 ation given to the geographic representation described in ORS 285A.040 (1).  
16 The Director of the [*Oregon Business Development Department*] **Oregon De-**  
17 **partment of Commerce and Trade**, or designee, shall be an ex officio  
18 member of each committee.

19 “(2) Members of the committees appointed pursuant to this section shall  
20 receive no compensation, but may receive payment for their actual and nec-  
21 essary travel and other expenses while engaged in the performance of their  
22 official duties.

23 **“SECTION 69.** ORS 285A.070 is amended to read:

24 “285A.070. (1) The [*Oregon Business Development Department*] **Oregon**  
25 **Department of Commerce and Trade** is established.

26 “(2) The department shall be under the supervision of the Director of the  
27 [*Oregon Business Development Department*] **Oregon Department of Com-**  
28 **merce and Trade**, who shall be appointed by and shall hold office at the  
29 pleasure of the Governor.

30 “(3) The appointment of the director shall be subject to confirmation by

1 the Senate in the manner provided by ORS 171.562 and 171.565.

2 “(4) Subject to policy direction by the [*Oregon Business Development*  
3 *Commission*] **Oregon Commerce and Trade Commission**, the director  
4 shall:

5 “(a) Be the administrative head of the department;

6 “(b) Administer the laws of the state relating to economic development;  
7 and

8 “(c) Intervene, as authorized by the commission, pursuant to the rules of  
9 practice and procedure, in the proceedings of state and federal agencies that  
10 may substantially affect economic development within Oregon.

11 “(5) In addition to duties otherwise required by law, and subject to policy  
12 direction by the commission, the director shall prescribe rules for the gov-  
13 ernment of the department, the conduct of its employees, the assignment and  
14 performance of its business and the custody, use and preservation of its re-  
15 cords, papers and property, based on best managerial practices as determined  
16 by the director and in a manner consistent with applicable law.

17 “(6) The director shall organize the department in whatever manner the  
18 director considers necessary to conduct the work of the department effi-  
19 ciently and effectively, subject to approval by the commission.

20 “(7) The director may appoint all subordinate officers and employees of  
21 the department and may prescribe their duties, assignments and reassign-  
22 ments and fix their compensation, subject to any applicable provisions of the  
23 State Personnel Relations Law. Subject to any other applicable law regu-  
24 lating travel expenses, the officers and employees of the department shall be  
25 allowed such reasonable and necessary travel and other expenses as may be  
26 incurred in the performance of their duties.

27 “(8) The director may delegate the exercise or discharge of any power,  
28 duty or function that is vested in or imposed by law upon the director to any  
29 department employee for the purpose of conducting an official act in the  
30 name of the director. The official act of any person acting in the name of the

1 director by the authority of the director is an official act of the director.

2 “(9) The director may require a fidelity bond of any officer or employee  
3 of the department who has charge of, handles or has access to any state  
4 money or property, and who is not otherwise required by law to give a bond.  
5 The director shall fix the amount of the bond, except as otherwise provided  
6 by law, and approve the sureties. The department shall pay the premiums on  
7 the bond.

8 “(10) The commission shall report periodically to the Governor on the  
9 director’s performance and make appropriate recommendations.

10 **“SECTION 70.** ORS 285A.075 is amended to read:

11 “285A.075. (1) The [*Oregon Business Development Department*] **Oregon**  
12 **Department of Commerce and Trade** shall:

13 “(a) Implement programs and adopt rules in accordance with applicable  
14 provisions of ORS chapter 183 that are consistent and necessary to carry out  
15 the policies established by the [*Oregon Business Development Commission*]  
16 **Oregon Commerce and Trade Commission** and the duties, functions and  
17 powers vested by law in the department.

18 “(b) Act as the official state liaison agency for persons interested in lo-  
19 cating industrial or business firms in the state and for state and local groups  
20 seeking new industry or business, and maintain the confidentiality of nego-  
21 tiations conducted pursuant to this paragraph, if requested.

22 “(c) Coordinate state and federal economic and community development  
23 programs.

24 “(d) Actively recruit domestic and international business firms to those  
25 communities desiring business recruitment.

26 “(e) Work with existing Oregon companies to assist in their expansion  
27 or help them retain jobs in the state.

28 “(f) Consult with local governments to establish regions for the purpose  
29 of job development to facilitate economic activities in the region. Regions  
30 established for this purpose need not be of the same size in geographic area

1 or population.

2 “(g) Establish and operate foreign trade offices in foreign countries in  
3 which the department considers a foreign trade office necessary. The de-  
4 partment shall use department employees, contracts with public or private  
5 persons or a combination of employees and contractors to establish and op-  
6 erate foreign trade offices. Department employees, including managers, who  
7 are assigned to work in a foreign trade office shall be in the unclassified  
8 service, and the director shall set the salaries of such employees. ORS  
9 276.428, 279A.120, 279A.140, 279A.155, 279A.275, 279B.025, 279B.235, 279B.270,  
10 279B.280, 279C.370, 279C.500 to 279C.530, 279C.540, 279C.545, 279C.800 to  
11 279C.870, 282.020, 282.050, 282.210, 282.220, 282.230, 283.140, 459A.475,  
12 459A.490, 653.268 and 653.269 do not apply to the department’s operation of  
13 foreign trade offices outside the state.

14 “(h) Consult with other state agencies and with local agencies and offi-  
15 cials prior to defining or designating distressed areas for purposes of ORS  
16 285A.020.

17 “(i) Budget moneys for travel and various other expenses of industrial or  
18 commercial site location agents, film or video production location agents,  
19 business journal writers, elected state officials or other state personnel to  
20 accomplish the purposes of ORS 284.101 to 284.148 and ORS chapters 285A,  
21 285B and 285C. The department may expend moneys duly budgeted to pay the  
22 travel and other expenses of such persons if the director determines the ex-  
23 pense may promote the purposes of this subsection.

24 “(j) Promulgate rules to govern contracts.

25 “(k) Develop strategies to address issues that are necessary and appro-  
26 priate to Oregon’s future and adopt goals that include measurable indicators  
27 of success (Oregon benchmarks) that show the extent to which each goal is  
28 being achieved.

29 “(L) Use practices and procedures that the department determines are the  
30 best practices for carrying out the duties of the department.

1 “(2) The department shall have no regulatory power over the activities  
2 of private persons. Its functions shall be solely advisory, coordinative and  
3 promotional.

4 “(3) Notwithstanding ORS 279A.140, the department may award grants or  
5 enter into contracts as necessary or appropriate to carry out the duties,  
6 functions and powers vested in the department by law.

7 **“SECTION 71.** ORS 285A.080 is amended to read:

8 “285A.080. The Director of the [*Oregon Business Development*  
9 *Department*] **Oregon Department of Commerce and Trade** and all un-  
10 classified personnel shall receive such salary as may be provided by law or  
11 be fixed by the [*Oregon Business Development Commission*] **Oregon Com-**  
12 **merce and Trade Commission.** In addition to salaries, the director and all  
13 unclassified personnel, subject to the limitations otherwise provided by law,  
14 shall be reimbursed for all reasonable expenses necessarily incurred in the  
15 performance of official duties.

16 **“SECTION 72.** ORS 285A.083 is amended to read:

17 “285A.083. For the purpose of requesting a state or nationwide criminal  
18 records check under ORS 181A.195, the [*Oregon Business Development De-*  
19 *partment*] **Oregon Department of Commerce and Trade** may require the  
20 fingerprints of a person who:

21 “(1)(a) Is employed or applying for employment by the department; or

22 “(b) Provides services or seeks to provide services to the department as  
23 a contractor, vendor, intern or volunteer; and

24 “(2) Is, or will be, working or providing services in a position:

25 “(a) In which the person is providing information technology services and  
26 has control over, or access to, information technology systems that would  
27 allow the person to harm the information technology systems or the infor-  
28 mation contained in the systems;

29 “(b) In which the person has access to information that state or federal  
30 laws, rules or regulations prohibit disclosing or define as confidential;

1 “(c) That has payroll functions or in which the person has responsibility  
2 for receiving, receipting or depositing money or negotiable instruments, for  
3 billing, collections or other financial transactions or for purchasing or sell-  
4 ing property or has access to property held in trust or to private property  
5 in the temporary custody of the state;

6 “(d) That has mailroom duties as a primary duty or job function;

7 “(e) In which the person has responsibility for auditing the department  
8 or other business entities;

9 “(f) That has personnel or human resources functions as a primary re-  
10 sponsibility;

11 “(g) In which the person has access to personal information, including  
12 Social Security numbers, dates of birth, driver license numbers, credit card  
13 information or criminal background information, about staff or members of  
14 the public; or

15 “(h) In which the person has access to tax or financial information about  
16 individual or business entities.

17 **“SECTION 73.** ORS 285A.091 is amended to read:

18 “285A.091. (1) The Oregon Infrastructure Finance Authority Board is  
19 created as a policy-making and advisory body within the [*Oregon Business*  
20 *Development Department*] **Oregon Department of Commerce and Trade.**  
21 The board consists of nine members as follows:

22 “(a) One nonvoting member appointed from members of the Senate by the  
23 President of the Senate;

24 “(b) One nonvoting member appointed from members of the House of  
25 Representatives by the Speaker of the House of Representatives;

26 “(c) One member appointed by the State Treasurer; and

27 “(d) Six members appointed by the Governor.

28 “(2) Persons appointed members of the board must be Oregon residents,  
29 well qualified by experience to make policy and recommendations in areas  
30 of concern to the Oregon Infrastructure Finance Authority and to perform

1 the duties of office. Members shall be appointed with consideration given to  
2 knowledge and experience:

3 “(a) In the field of state and municipal finance;

4 “(b) Of the infrastructure and public works needs in Oregon cities;

5 “(c) Of the infrastructure and public works needs in Oregon counties;

6 “(d) Of issues related to ports that affect the state;

7 “(e) Of issues related to special service district services furnished across  
8 the state; and

9 “(f) Of infrastructure and public works necessary to further Oregon’s long  
10 term economic growth.

11 “(3) The office of the State Treasurer may recommend persons with ex-  
12 pertise in the field of state and municipal finance for membership on the  
13 board.

14 “(4) The term of a member of the board appointed by the Governor, the  
15 State Treasurer or the President of the Senate is four years. The term of a  
16 member appointed by the Speaker of the House of Representatives is two  
17 years.

18 “(5) In case of a vacancy on the board for any cause, the appointing au-  
19 thority shall appoint a successor to serve for the unexpired term.

20 “(6) A member of the board may be appointed to serve two consecutive  
21 terms. A member who serves two consecutive terms is not eligible for reap-  
22 pointment within one year following the expiration of the second term.

23 “(7) The board shall select one of its members to chair the board for such  
24 term and with duties and powers necessary to perform the functions of the  
25 office as the board determines.

26 “(8) A majority of the voting members of the board constitutes a quorum  
27 for the transaction of business.

28 “(9) Notwithstanding ORS 171.072, members of the board who are members  
29 of the Legislative Assembly are not entitled to mileage expenses or a per  
30 diem and serve as volunteers on the board.



1 “(10) Members of the board who are not members of the Legislative As-  
2 sembly are entitled to compensation and reimbursement for expenses as pro-  
3 vided in ORS 292.495.

4 **“SECTION 74.** ORS 285A.093 is amended to read:

5 “285A.093. The Oregon Infrastructure Finance Authority Board shall:

6 “(1) Serve as a body to advise municipalities, state agencies and private  
7 persons on the development and implementation of state policies and pro-  
8 grams relating to the infrastructure needs of this state and its communities.

9 “(2) Advise the Governor, the [*Oregon Business Development*  
10 *Commission*] **Oregon Commerce and Trade Commission**, the Director of  
11 the [*Oregon Business Development Department*] **Oregon Department of**  
12 **Commerce and Trade** and the [*Oregon Business Development Department*]  
13 **Oregon Department of Commerce and Trade** on matters identified by the  
14 commission as being of interest to the Governor, the commission, the direc-  
15 tor and the department that relate to infrastructure and public works pro-  
16 grams administered, and actions taken, by the Oregon Infrastructure Finance  
17 Authority.

18 “(3) Provide the commission with the opportunity to comment and provide  
19 direction on matters relating to infrastructure and public works programs  
20 administered, and actions taken, by the authority.

21 “(4) Seek and receive the views of all levels of government and the private  
22 sector with respect to state policies and programs to address the  
23 infrastructure needs of this state.

24 “(5) Prepare and submit to the director suggested administrative rules  
25 that the board determines are necessary for the operation of the programs  
26 under the direction of the authority.

27 “(6) Establish policies and procedures for loan and grant programs ad-  
28 ministered by the authority, except for the seismic rehabilitation grant pro-  
29 gram administered under ORS 401.910.

30 **“SECTION 75.** ORS 285A.096 is amended to read:

1 “285A.096. (1) The Oregon Infrastructure Finance Authority is established  
2 as an administrative section within the [*Oregon Business Development De-*  
3 *partment*] **Oregon Department of Commerce and Trade**, subject to the  
4 supervision of the administrator of the authority and the policies and pro-  
5 cedures established by, and recommendations of, the Oregon Infrastructure  
6 Finance Authority Board.

7 “(2) The authority consists of the administrator and all personnel em-  
8 ployed by the authority.

9 “(3) Subject to subsection (1) of this section, the authority shall develop  
10 and administer programs and funds of the department that address the  
11 infrastructure needs of this state.

12 “(4) The authority shall provide the board with staff and other assistance  
13 as necessary for the board to perform its duties.

14 “(5) The authority shall employ, in accordance with the State Personnel  
15 Relations Law, the staff necessary to allow the authority to carry out its  
16 responsibilities.

17 **“SECTION 76.** ORS 285A.101 is amended to read:

18 “285A.101. (1) The Director of the [*Oregon Business Development Depart-*  
19 *ment*] **Oregon Department of Commerce and Trade**, upon consultation  
20 with and the approval of the Oregon Infrastructure Finance Authority Board,  
21 shall appoint an administrator of the Oregon Infrastructure Finance Au-  
22 thority who shall serve at the pleasure of the director.

23 “(2) The administrator shall receive such salary as may be provided by  
24 law or as fixed by the director.

25 “(3) The administrator shall be the administrative head of the authority.

26 “(4) The administrator may suggest rules to the director for the govern-  
27 ment of the authority, the conduct of its employees, the assignment and  
28 performance of its business and the custody, use and preservation of its re-  
29 cords, papers and property.

30 “(5) The administrator shall hire the staff necessary to allow the author-

1 ity to carry out its duties. In accordance with the State Personnel Relations  
2 Law, the administrator and any manager hired by the administrator shall be  
3 in the unclassified service.

4 **“SECTION 77.** ORS 285A.103 is amended to read:

5 “285A.103. (1) The Oregon Infrastructure Finance Fund is established in  
6 the State Treasury, separate and distinct from the General Fund. Interest  
7 earned by the Oregon Infrastructure Finance Fund shall be credited to the  
8 fund. The Oregon Infrastructure Finance Fund consists of all moneys cred-  
9 ited to the fund, including moneys from the Administrative Services Eco-  
10 nomic Development Fund, federal funds collected or received and fees,  
11 moneys or other revenues, including miscellaneous receipts, collected or re-  
12 ceived by the Oregon Infrastructure Finance Authority. The moneys in the  
13 Oregon Infrastructure Finance Fund are continuously appropriated to the  
14 [*Oregon Business Development Department*] **Oregon Department of Com-**  
15 **merce and Trade** for the authority for the purposes of ORS 285A.091 to  
16 285A.108.

17 “(2) The authority may finance programs and projects determined to fur-  
18 ther infrastructure development within this state by making grants or loans  
19 using moneys in the fund.

20 “(3) The Oregon Infrastructure Finance Authority Board may suggest to  
21 the Director of the [*Oregon Business Development Department*] **Oregon De-**  
22 **partment of Commerce and Trade** administrative rules for establishing  
23 standards, objectives and criteria for use of moneys in the fund. The de-  
24 partment shall adopt rules to establish standards, objectives and criteria for  
25 use of moneys in the fund.

26 **“SECTION 78.** ORS 285A.108 is amended to read:

27 “285A.108. The Director of the [*Oregon Business Development*  
28 *Department*] **Oregon Department of Commerce and Trade**, in accordance  
29 with ORS chapter 183, may adopt rules for the operation of the Oregon  
30 Infrastructure Finance Authority as the director determines necessary or

1 convenient for the authority to perform its duties and functions and as are  
2 consistent with and necessary to carry out the policies established by the  
3 Oregon Infrastructure Finance Authority Board.

4 **“SECTION 79.** ORS 285A.116 is amended to read:

5 “285A.116. (1) The [*Oregon Business Development Department*] **Oregon**  
6 **Department of Commerce and Trade** shall establish regions for the pur-  
7 pose of job development. When establishing the regions, the department shall  
8 consider the optimal size for each region that will most effectively facilitate  
9 economic development activities in the region. Regions established by the  
10 department do not have to be of the same size or population.

11 “(2) The Director of the [*Oregon Business Development Department*]  
12 **Oregon Department of Commerce and Trade** shall provide for economic  
13 innovation coordination in the central office, which shall assist the field  
14 representatives in establishing contacts between local businesses and uni-  
15 versities and community colleges in Oregon to promote the use of the re-  
16 search capacities of these institutions for development of new products.

17 **“SECTION 80.** ORS 285A.154, as amended by section 1, chapter 29,  
18 Oregon Laws 2024, is amended to read:

19 “285A.154. (1) The Oregon Broadband Advisory Council is established  
20 within the [*Oregon Business Development Department*] **Oregon Department**  
21 **of Commerce and Trade**. The council consists of 13 members appointed as  
22 follows:

23 “(a) The Governor shall appoint 11 members who, to the extent possible,  
24 represent geographically diverse regions of this state, as follows:

25 “(A) One member to represent the counties of this state.

26 “(B) One member to represent the cities of this state.

27 “(C) Two members to represent telecommunications service providers. At  
28 least one member must represent a service provider that provides telecom-  
29 munications services in rural Oregon with preference for appointment given  
30 to a service provider that is headquartered in rural Oregon.

1 “(D) One member to represent Oregon tribes.

2 “(E) One member to represent education or public libraries.

3 “(F) One member to represent rural business or economic development  
4 districts.

5 “(G) One member to represent urban business or economic development  
6 districts.

7 “(H) One member to represent telehealth.

8 “(I) One member to represent the digital equity interests of historically  
9 disadvantaged communities.

10 “(J) One member to represent consumers and the public at large.

11 “(b) The Speaker of the House of Representatives shall appoint one non-  
12 voting member who is a member of the House of Representatives.

13 “(c) The President of the Senate shall appoint one nonvoting member who  
14 is a member of the Senate.

15 “(2) The term of office of each voting member is four years, but a voting  
16 member serves at the pleasure of the Governor. Before the term of a voting  
17 member expires, the Governor shall appoint a successor whose term begins  
18 on January 1 next following. A voting member is eligible for reappointment  
19 for one additional term. If there is a vacancy for any cause, the Governor  
20 shall make an appointment that becomes immediately effective for the unex-  
21 pired term.

22 “(3) The nonvoting legislative members shall serve two-year terms and are  
23 eligible for reappointment.

24 “(4) Members of the council who are not members of the Legislative As-  
25 sembly are not entitled to compensation, but voting members may be paid  
26 expenses if funding is available from contributions the [*Oregon Business*  
27 *Development Department*] **Oregon Department of Commerce and Trade**  
28 accepts under ORS 285A.157 (2).

29 “(5) Members of the council who are members of the Legislative Assembly  
30 are entitled to compensation and expense reimbursement as provided in ORS

1 171.072.

2 “(6) The council shall select one of the council’s voting members as  
3 chairperson and another voting member as vice chairperson, for a two-year  
4 term. The chairperson and vice chairperson may not serve for more than two  
5 consecutive terms.

6 “(7) A majority of the voting members of the council constitutes a quorum  
7 for transacting business.

8 “(8) The council shall meet every three months at a place, day and hour  
9 determined by the council. The council may also meet at other times and  
10 places specified by the call of the chairperson or of a majority of the mem-  
11 bers of the council.

12 “(9) A majority of the voting members of the council must approve official  
13 action by the council. The council may recommend legislation, public policy  
14 and solutions to address the state’s broadband needs and goals.

15 “(10) The council shall:

16 “(a) Advise the Oregon Broadband Office on the development and imple-  
17 mentation of Oregon’s broadband strategy.

18 “(b) Advise the Oregon Broadband Office on the scalability, resilience and  
19 sustainability of Oregon’s broadband infrastructure.

20 “(c) Assist the Oregon Broadband Office in developing ideas to streamline  
21 deployment of broadband infrastructure and in ensuring continual progress  
22 toward achieving state goals.

23 “(d) Review and update state goals regarding broadband service speeds in  
24 consideration of federal requirements and to ensure that Oregon residents  
25 and businesses are prepared for future needs.

26 “(e) Advise the Oregon Broadband Office on best practices to guide the  
27 development and implementation of state grant programs, including project  
28 review, opportunities for appeal and project accountability.

29 “(f) Support local governments, providers and stakeholders in project  
30 planning and development.

1 “(g) Champion equitable statewide access and adoption of broadband ser-  
2 vices.

3 “(h) For competitive broadband grant programs, review grant applications  
4 for compliance with the program’s legal requirements and make recommen-  
5 dations to the Oregon Broadband Office at a council meeting held pursuant  
6 to subsection (8) of this section.

7 “(11) All agencies of state government, as defined in ORS 174.111, shall  
8 assist the council in the performance of the council’s duties and, to the ex-  
9 tent permitted by laws relating to confidentiality, to furnish such informa-  
10 tion and advice as the members of the council consider necessary to perform  
11 the members’ duties.

12 **“SECTION 81.** ORS 285A.157 is amended to read:

13 “285A.157. (1) The Oregon Broadband Advisory Council Fund is estab-  
14 lished, separate and distinct from the General Fund. Interest earned by the  
15 Oregon Broadband Advisory Council Fund shall be credited to the fund.  
16 Moneys in the Oregon Broadband Advisory Council Fund are continuously  
17 appropriated to the [*Oregon Business Development Department*] **Oregon De-**  
18 **partment of Commerce and Trade** for the purposes of carrying out the  
19 duties of the Oregon Broadband Advisory Council.

20 “(2) The department, on behalf of the council, may accept contributions  
21 of funds and assistance from the United States Government or agencies of  
22 the United States Government or from any other source, public or private,  
23 and agree to conditions not inconsistent with the purposes of the council.  
24 All such funds are to aid in financing the functions of the council and must  
25 be deposited in the Oregon Broadband Advisory Council Fund to the credit  
26 of separate accounts for the council to disburse for the purposes for which  
27 the funds were contributed.

28 **“SECTION 82.** ORS 285A.166 is amended to read:

29 “285A.166. (1) The Oregon Broadband Office is created within the [*Oregon*  
30 *Business Development Department*] **Oregon Department of Commerce and**

1 **Trade.**

2 “(2) The Oregon Broadband Office shall:

3 “(a) Advocate for the adoption of public policies that close the continuing  
4 digital divide by removing barriers to and supporting broadband  
5 infrastructure deployment;

6 “(b) Develop broadband investment and deployment strategies for un-  
7 served and underserved areas;

8 “(c) Promote private sector, public sector and cooperative broadband sol-  
9 utions;

10 “(d) Support and promote local and regional broadband planning;

11 “(e) Promote technology and service provider neutrality by focusing on  
12 desired outcomes rather than specific technological solutions;

13 “(f) Pursue and leverage federal sources of broadband funding to achieve  
14 state goals related to broadband;

15 “(g) Manage and award funds allocated to the [*Oregon Business Develop-*  
16 *ment Department*] **Oregon Department of Commerce and Trade** for use  
17 by the office for broadband projects;

18 “(h) Engage with a stakeholders representing a wide variety of interests,  
19 including but not limited to elected officials, government officials, healthcare  
20 providers, educators, business and agricultural community leaders and other  
21 community leaders and broadband service providers, to facilitate communi-  
22 cations and collect information necessary to help make a business case for  
23 broadband investments;

24 “(i) Promote digital literacy, equity and inclusion;

25 “(j) Generate public awareness of the value of broadband technologies and  
26 applications;

27 “(k) Promote adoption and utilization of broadband technologies and ap-  
28 plications;

29 “(L) Develop, maintain and provide public access to:

30 “(A) A statewide broadband map as a platform for data collection to track



1 the availability of broadband services and to measure progress; and

2 “(B) Other information relating to broadband;

3 “(m) Convene relevant state and federal agencies and advise the Gover-  
4 nor, state agency leadership and the Oregon Congressional Delegation on  
5 actions to leverage state government activities to pursue state goals related  
6 to broadband; and

7 “(n) Support and coordinate efforts with the Oregon Broadband Advisory  
8 Council.

9 **“SECTION 83.** ORS 285A.167 is amended to read:

10 “285A.167. (1) The Broadband Fund is established, separate and distinct  
11 from the General Fund. Interest earned by the Broadband Fund shall be  
12 credited to the fund. Moneys in the Broadband Fund are continuously ap-  
13 propriated to the [*Oregon Business Development Department*] **Oregon De-**  
14 **partment of Commerce and Trade** to be used by the Oregon Broadband  
15 Office for the following purposes:

16 “(a) Administering the office;

17 “(b) Carrying out the duties of the office listed in ORS 285A.166;

18 “(c) Providing grants or loans through the program established by rule  
19 under section 5, chapter 17, Oregon Laws 2020 (first special session);

20 “(d) Providing financial assistance under ORS 285A.180; and

21 “(e) Covering the administrative costs associated with the fund and with  
22 making grants, loans and other distributions of moneys from the fund.

23 “(2) The fund consists of:

24 “(a) Moneys appropriated or transferred to the fund by the Legislative  
25 Assembly;

26 “(b) Moneys transferred to the fund pursuant to ORS 759.425;

27 “(c) Loans repaid to the fund and interest due on the loans;

28 “(d) Amounts donated to the fund;

29 “(e) Moneys transferred to the fund from the federal government, state  
30 agencies or local governments;

1 “(f) Lottery bond proceeds allocated by the Legislative Assembly for de-  
2 posit in the fund;

3 “(g) Earnings received on moneys in the fund; and

4 “(h) Other amounts deposited in the fund from any sources.

5 “(3) The Broadband Fund is established to provide a flexible funding  
6 source for financing programs and projects that support broadband access,  
7 affordability or adoption in this state and to support the office in carrying  
8 out the duties of the office listed under ORS 285A.166. Notwithstanding ORS  
9 279A.140, the department may enter into contracts as necessary or appropri-  
10 ate to implement programs or projects determined by the department to fur-  
11 ther broadband access, affordability or adoption.

12 “(4) The department may:

13 “(a) Adopt objective criteria and standards for the use and allocation of  
14 moneys in the Broadband Fund.

15 “(b) Establish accounts and subaccounts within the fund when the de-  
16 partment determines that accounts or subaccounts are necessary or desirable.

17 “**SECTION 84.** ORS 285A.167, as amended by section 3, chapter 338,  
18 Oregon Laws 2023, is amended to read:

19 “285A.167. (1) The Broadband Fund is established, separate and distinct  
20 from the General Fund. Interest earned by the Broadband Fund shall be  
21 credited to the fund. Moneys in the Broadband Fund are continuously ap-  
22 propriated to the [*Oregon Business Development Department*] **Oregon De-**  
23 **partment of Commerce and Trade** to be used by the Oregon Broadband  
24 Office for the following purposes:

25 “(a) Administering the office;

26 “(b) Carrying out the duties of the office listed in ORS 285A.166;

27 “(c) Providing financial assistance under ORS 285A.180; and

28 “(d) Covering the administrative costs associated with the fund and with  
29 making grants, loans and other distributions of moneys from the fund.

30 “(2) The fund consists of:

1 “(a) Moneys appropriated or transferred to the fund by the Legislative  
2 Assembly;

3 “(b) Loans repaid to the fund and interest due on the loans;

4 “(c) Amounts donated to the fund;

5 “(d) Moneys transferred to the fund from the federal government, state  
6 agencies or local governments;

7 “(e) Lottery bond proceeds allocated by the Legislative Assembly for de-  
8 posit in the fund;

9 “(f) Earnings received on moneys in the fund; and

10 “(g) Other amounts deposited in the fund from any sources.

11 “(3) The Broadband Fund is established to provide a flexible funding  
12 source for financing programs and projects that support broadband access,  
13 affordability or adoption in this state and to support the office in carrying  
14 out the duties of the office listed under ORS 285A.166. Notwithstanding ORS  
15 279A.140, the department may enter into contracts as necessary or appropri-  
16 ate to implement programs or projects determined by the department to fur-  
17 ther broadband access, affordability or adoption.

18 “(4) The department may:

19 “(a) Adopt objective criteria and standards for the use and allocation of  
20 moneys in the Broadband Fund.

21 “(b) Establish accounts and subaccounts within the fund when the de-  
22 partment determines that accounts or subaccounts are necessary or desirable.

23 **“SECTION 85.** ORS 285A.176 is amended to read:

24 “285A.176. (1) The Oregon Broadband Office shall collect geospatial data,  
25 including data that is reported to the Federal Communications Commission,  
26 and other data as necessary from Internet service providers and entities with  
27 broadband infrastructure in this state for the purpose of assisting the state  
28 in confirming the allocation of funds to the state under the Infrastructure  
29 Investment and Jobs Act (P.L. 117-58) and determining eligibility for grants  
30 and loans issued by the office.

1 “(2) The collected information must be in a form that can be viewed, ed-  
2 ited and mapped.

3 “(3)(a) The office may collect proprietary information subject to a  
4 nondisclosure agreement.

5 “(b) Proprietary information subject to a nondisclosure agreement that is  
6 collected by the office under this section is exempt from public disclosure  
7 under ORS 192.355.

8 “(4) The [*Oregon Business Development Department*] **Oregon Department**  
9 **of Commerce and Trade** may prescribe rules for the office to implement the  
10 provisions of this section.

11 **“SECTION 86.** ORS 285A.180 is amended to read:

12 “285A.180. (1) The [*Oregon Business Development Department*] **Oregon**  
13 **Department of Commerce and Trade** shall provide financial assistance in  
14 the form of loans or grants for the purpose of supporting broadband access,  
15 affordability and adoption.

16 “(2) The department may establish one or more programs for providing  
17 financial assistance under this section. For each program the department  
18 establishes, the department shall, by rule, establish:

19 “(a) Criteria for applications and for determining the eligibility of appli-  
20 cants and proposed projects for a loan or grant;

21 “(b) Criteria for the department to evaluate competitive applications and  
22 for awarding a loan or grant;

23 “(c) Reporting requirements for a loan or grant recipient; and

24 “(d) A process for identifying and protecting from disclosure, except as  
25 permitted by state and federal law, information or data that are submitted  
26 to the department by an applicant or recipient and that may be subject to  
27 confidentiality protections provided by law or are exempt from public records  
28 disclosure.

29 “(3) In addition to the rules required under subsection (2)(a) to (d) of this  
30 section, for each program the department establishes to support broadband

1 service infrastructure, the department shall, by rule, establish:

2 “(a) Criteria for determining whether a location qualifies as an under-  
3 served location or unserved location for the purpose of giving preference to  
4 proposed projects that support broadband service infrastructure to under-  
5 served locations or unserved locations in this state;

6 “(b) Reporting requirements for a loan or grant recipient to identify the  
7 geographic area and locations served or that will be served by the project;

8 “(c) A process for providing public notice of pending applications;

9 “(d) A public process for interested persons to submit comments on  
10 pending applications; and

11 “(e) A process for challenging an application.

12 “(4)(a) The department shall comply with the provisions of ORS chapter  
13 183 in adopting rules and awarding loans or grants under a program. Final  
14 orders issued under a program are subject to judicial review as provided in  
15 ORS chapter 183.

16 “(b) When awarding a loan or grant under a program to support  
17 broadband service infrastructure, the department shall provide a notice of  
18 award. The notice of award shall be a final order in an other than contested  
19 case proceeding and reviewable pursuant to ORS 183.480 with jurisdiction for  
20 judicial review conferred by ORS 183.484.

21 “(5) The department, in consultation with the Oregon Broadband Advisory  
22 Council and consistent with applicable federal requirements, shall, by rule,  
23 establish goals for broadband service speeds provided in this state to be used  
24 when establishing criteria under subsection (3)(a) of this section.

25 “(6) The department shall define by rule the term ‘broadband service  
26 infrastructure program’ for purposes of implementing the provisions of this  
27 section.

28 “(7) The department may adopt rules necessary to carry out the provisions  
29 of this section.

30 **“SECTION 87.** ORS 285A.181 is amended to read:

1 “285A.181. (1) If the [*Oregon Business Development Department*] **Oregon**  
2 **Department of Commerce and Trade** establishes a program to support  
3 broadband service infrastructure under ORS 285A.180 that provides loans or  
4 grants using moneys from the federal Coronavirus Capital Projects Fund (42  
5 U.S.C. 804), the following shall apply:

6 “(a) For purposes of the broadband service infrastructure program,  
7 ‘underserved location’ means, based on broadband mapping data published  
8 by the Federal Communications Commission or the State of Oregon, a lo-  
9 cation at which there is no service provider offering reliable wireline  
10 broadband service at a speed of at least 100 megabits per second for down-  
11 loads and 20 megabits per second for uploads.

12 “(b) To be eligible for a loan or grant under the broadband service  
13 infrastructure program, an applicant shall demonstrate that at least 80 per-  
14 cent of the broadband-serviceable locations on a proposed broadband service  
15 infrastructure project’s service route that the proposed broadband service  
16 infrastructure project will serve are underserved locations.

17 “(c) The broadband service infrastructure program shall provide for a  
18 process for challenging an application that, except when applicable federal  
19 funding requirements require otherwise:

20 “(A) Provides for a period of 30 days from the date that a pending appli-  
21 cation is published, during which time a broadband service provider may  
22 challenge, in writing, the application;

23 “(B) Allows a broadband service provider to challenge an application on  
24 the basis that a location, described in the application as an underserved lo-  
25 cation that the proposed broadband service infrastructure will serve, is not  
26 an underserved location because:

27 “(i) The broadband service provider provides broadband service at the  
28 requisite speeds to the location; or

29 “(ii)(I) The broadband service provider has an enforceable commitment to  
30 provide broadband service at the requisite speeds to the location; and

1 “(II) The commitment to provide broadband services at the requisite  
2 speeds to the location is by a date that is earlier than the date the proposed  
3 broadband service infrastructure will begin to provide broadband services,  
4 as described in the application; and

5 “(C) Allows an applicant to amend an application in response to a deci-  
6 sion regarding a challenge.

7 “(2) If the department establishes a program to support broadband service  
8 infrastructure under ORS 285A.180 that provides loans or grants using mon-  
9 eys from the federal Broadband Equity, Access, and Deployment Program  
10 established under 47 U.S.C. 1702, the following shall apply:

11 “(a) For purposes of the broadband service infrastructure program:

12 “(A) ‘Underserved location’ means, based on broadband mapping data  
13 published by the Federal Communications Commission or the State of  
14 Oregon, a location at which there is no service provider offering reliable  
15 broadband service at a speed of at least 100 megabits per second for down-  
16 loads and 20 megabits per second for uploads and with a latency equal to  
17 or less than 100 milliseconds. ‘Underserved location’ does not include an  
18 unserved location.

19 “(B) ‘Unserved location’ means, based on broadband mapping data pub-  
20 lished by the Federal Communications Commission or the State of Oregon,  
21 a location at which there is no service provider offering reliable broadband  
22 service at a speed of at least 25 megabits per second for downloads and three  
23 megabits per second for uploads and with a latency equal to or less than 100  
24 milliseconds.

25 “(b) To be eligible for a loan or grant under the broadband service  
26 infrastructure program, an applicant shall demonstrate that at least 80 per-  
27 cent of the broadband-serviceable locations on a proposed broadband service  
28 infrastructure project’s service route that the proposed broadband service  
29 infrastructure project will serve are underserved locations or unserved lo-  
30 cations.

1       **“SECTION 88.** ORS 285A.185 is amended to read:

2       “285A.185. (1) As used in this section, ‘brownfield’ means real property  
3 where expansion or redevelopment is complicated by actual or perceived en-  
4 vironmental contamination.

5       “(2) The [*Oregon Business Development Department*] **Oregon Department**  
6 **of Commerce and Trade** shall assist private persons and local governments  
7 to redevelop brownfields.

8       “(3) The department shall:

9       “(a) Act as the primary point of contact for information regarding public  
10 and private funding options available to a person interested in redeveloping  
11 a brownfield;

12       “(b) Facilitate the funding process involving landowners or prospective  
13 purchasers, lending institutions, other state agencies, local jurisdictions,  
14 consultants and interested citizens;

15       “(c) Serve as a key advocate for the redevelopment of brownfields in  
16 Oregon;

17       “(d) Provide information to private persons and local governments on  
18 brownfield redevelopment funding;

19       “(e) Enhance the availability of funding resources through program de-  
20 velopment, grant proposals and other appropriate opportunities; and

21       “(f) Adopt rules necessary to carry out this section.

22       **“SECTION 89.** ORS 285A.188 is amended to read:

23       “285A.188. (1) As used in this section:

24       “(a) ‘Environmental action’ means activities undertaken to:

25       “(A) Determine if a release has occurred or may occur, if the release or  
26 potential release poses a significant threat to human health or the environ-  
27 ment or if additional remedial actions may be required at the site;

28       “(B) Conduct a remedial investigation and a feasibility study;

29       “(C) Plan for remedial action or removal action; or

30       “(D) Conduct a remedial action or removal action at a site.



1 “(b) ‘Facility,’ ‘hazardous substance,’ ‘release,’ ‘remedial action’ and ‘re-  
2 moval’ have the meanings given those terms in ORS 465.200.

3 “(c) ‘Substantial public benefit’ includes, but is not limited to:

4 “(A) The generation of funding or other resources facilitating substantial  
5 remedial action at a facility in accordance with this section;

6 “(B) A commitment to perform substantial remedial action at a facility  
7 in accordance with this section;

8 “(C) Productive reuse of a vacant or abandoned industrial or commercial  
9 facility; or

10 “(D) Development of a facility by a municipality or a nonprofit organiza-  
11 tion to address an important public purpose.

12 “(2) There is created within the State Treasury a revolving fund known  
13 as the Brownfields Redevelopment Fund, separate and distinct from the  
14 General Fund. Interest earned by the fund shall be credited to the fund.  
15 Moneys in the Brownfields Redevelopment Fund are continuously appropri-  
16 ated to the [*Oregon Business Development Department*] **Oregon Department**  
17 **of Commerce and Trade** and shall be used to fund loans and grants for  
18 environmental actions on properties that are brownfields, as defined in ORS  
19 285A.185.

20 “(3)(a) Subject to paragraph (b) of this subsection, when making a loan  
21 or grant for an environmental action, the [*Oregon Business Development*  
22 *Department*] **Oregon Department of Commerce and Trade** shall give pri-  
23 ority to persons who, at the time of applying for the loan or grant, are not  
24 liable under ORS 465.255 for a release of a hazardous substance at the  
25 property at which the environmental action is to be conducted. No more than  
26 60 percent of the total amount of the Brownfields Redevelopment Fund in  
27 any biennium shall be awarded to persons who are liable with respect to the  
28 subject property under ORS 465.255. A person is not eligible to receive a loan  
29 or grant from moneys in the Brownfields Redevelopment Fund if the person  
30 has knowingly violated applicable laws or regulations or has knowingly vi-

1 olated or failed to comply with an order of the Department of Environmental  
2 Quality, if such action or inaction has resulted in one or more of the fol-  
3 lowing:

4 “(A) Contribution to or exacerbation of existing contamination at the fa-  
5 cility;

6 “(B) Release of a hazardous substance at the facility; or

7 “(C) Interference with necessary investigation or remedial actions at the  
8 facility.

9 “(b) Notwithstanding paragraph (a) of this subsection:

10 “(A) When making a grant to a municipality, the [*Oregon Business De-*  
11 *velopment Department*] **Oregon Department of Commerce and Trade** shall  
12 give priority to municipalities that provide matching funds from a loan under  
13 this section, from another source or from both.

14 “(B) When making a grant to an entity that is not a municipality, the  
15 department shall require that:

16 “(i) The recipient is not liable for the subject property under ORS 465.255;

17 “(ii) The environmental action provides a substantial public benefit; and

18 “(iii) The recipient provides matching funds from a loan under this sec-  
19 tion, from another source or from both.

20 “(c) The department may establish by rule circumstances in which the  
21 department may waive or subsidize the interest on a short-term loan.

22 “(4) When making a loan or grant for an environmental action, the de-  
23 partment shall consider:

24 “(a) The extent to which actual or perceived contamination prevents the  
25 property from being fully utilized;

26 “(b) The need for providing public assistance, after considering the diffi-  
27 culty of obtaining financing from other sources or of obtaining financing at  
28 reasonable rates and terms;

29 “(c) The degree to which redevelopment of the property provides oppor-  
30 tunity for achieving protection of human health or the environment by re-

1 ducing or eliminating the contamination of the property and for contributing  
2 to the economic health and diversity of the area;

3 “(d) The probability of the success of the intended use or the degree to  
4 which redevelopment of the property provides a public purpose following re-  
5 mediation of the property;

6 “(e) Compliance with the land use plan of the local government with ju-  
7 risdiction over the property; and

8 “(f) Endorsement from the local government with jurisdiction over the  
9 property.

10 “(5) Before making a loan or grant decision pursuant to this section, the  
11 [*Oregon Business Development Department*] **Oregon Department of Com-  
12 merce and Trade** shall consult with the Department of Environmental  
13 Quality.

14 “(6) The [*Oregon Business Development Department*] **Oregon Department  
15 of Commerce and Trade** may use a portion of the Brownfields Redevelop-  
16 ment Fund to:

17 “(a) Pay for administrative costs of environmental actions;

18 “(b) Pay for administrative costs associated with administering the pro-  
19 gram and fund; and

20 “(c) Satisfy contracts entered into as required to ensure that environ-  
21 mental reviews are conducted in a manner consistent with existing environ-  
22 mental cleanup laws and rules.

23 “(7) The department shall adopt rules necessary to carry out the require-  
24 ments of this section. The department shall develop procedures to ensure that  
25 activities for which loans or grants are made are consistent with existing  
26 environmental cleanup laws and rules.

27 “**SECTION 90.** ORS 285A.190 is amended to read:

28 “285A.190. (1) There is established in the [*Oregon Business Development  
29 Department*] **Oregon Department of Commerce and Trade** the Oregon  
30 Coalition Brownfields Cleanup Program.

1 “(2) The department may make grants, loans and expenditures from the  
2 Oregon Coalition Brownfields Cleanup Fund to provide financial or other  
3 assistance to public and private owners of eligible brownfield properties for  
4 the purpose of cleaning up the properties.

5 “(3) An eligible owner of a brownfield property may borrow moneys from  
6 the fund by entering into a loan agreement with the department in accord-  
7 ance with rules adopted by the department.

8 “(4) The owner of a publicly owned brownfield property may enter into  
9 a loan agreement with the department notwithstanding any restrictions on  
10 indebtedness in the charter or bylaws of the public body or any other pro-  
11 vision of law.

12 “(5) The department may adopt rules necessary to carry out the provisions  
13 of this section and ORS 285A.192. The rules shall include, but are not limited  
14 to, requirements for eligibility for financial assistance or other assistance  
15 from the program, good and sufficient collateral required to secure loans  
16 from the fund and the complete or partial waiver of interest on short-term  
17 loans made from the fund.

18 “(6) As used in this section:

19 “(a) ‘Brownfield’ has the meaning given that term in ORS 285A.185.

20 “(b) ‘Other assistance’ includes, but is not limited to, direct purchase of  
21 goods or services related to brownfields cleanup by the department.

22 “(c) ‘Public body’ has the meaning given that term in ORS 174.109.

23 **“SECTION 91.** ORS 285A.192 is amended to read:

24 “285A.192. (1) There is established in the State Treasury, separate and  
25 distinct from the General Fund, a revolving fund known as the Oregon Co-  
26 alition Brownfields Cleanup Fund. Interest earned by the Oregon Coalition  
27 Brownfields Cleanup Fund shall be credited to the fund. All moneys in the  
28 Oregon Coalition Brownfields Cleanup Fund are continuously appropriated  
29 to the [*Oregon Business Development Department*] **Oregon Department of**  
30 **Commerce and Trade** for the purposes of ORS 285A.190.

1       “(2) The Oregon Coalition Brownfields Cleanup Fund shall consist of all  
2 moneys credited to the fund, including but not limited to:

3       “(a) Moneys received from the federal government, other state agencies  
4 or local governments;

5       “(b) Moneys appropriated or transferred to the fund by the Legislative  
6 Assembly or the [*Oregon Business Development Commission*] **Oregon Com-**  
7 **merce and Trade Commission**; and

8       “(c) Repayment of financial assistance, including interest earnings, pro-  
9 vided by moneys from the fund.

10       “**SECTION 92.** ORS 285A.194 is amended to read:

11       “285A.194. (1) The [*Oregon Business Development Department*] **Oregon**  
12 **Department of Commerce and Trade** shall establish and administer a  
13 program in accordance with ORS 285A.193 to 285A.198 under which the de-  
14 partment may make forgivable loans for the purpose of reimbursing private  
15 owners or operators for the eligible costs incurred in the completion of re-  
16 moval or remedial actions at brownfields.

17       “(2)(a) Forgivable loans may be made in amounts up to the lesser of:

18       “(A) Fifty percent of the eligible costs incurred by the owner or operator  
19 with respect to a brownfield; or

20       “(B) \$250,000.

21       “(b) Additional forgivable loans may be made to the owner or operator for  
22 up to two of the enhancements described in subsection (3) of this section  
23 with respect to the brownfield for which a forgivable loan is made under  
24 paragraph (a) of this subsection.

25       “(c) The total amount of loans that may be made under paragraphs (a)  
26 and (b) of this subsection is the lesser of:

27       “(A) One hundred percent of the eligible costs incurred by the owner or  
28 operator with respect to the brownfield; or

29       “(B) \$500,000.

30       “(3) A forgivable loan enhancement may be made in an amount equal to

1 the lesser of 25 percent of the eligible costs incurred by the owner or oper-  
2 ator with respect to the brownfield or \$125,000 if:

3 “(a) The brownfield is in a location identified in an electric vehicle  
4 infrastructure plan developed by the Department of Transportation and will  
5 be operated as a publicly accessible charging station for electric vehicles  
6 immediately after completion.

7 “(b)(A) Housing will be constructed or redeveloped from existing im-  
8 provements on the brownfield;

9 “(B) At least four dwelling units, or 20 percent of all dwelling units,  
10 whichever is greater, will be used as affordable housing; and

11 “(C) Such use is ensured by a deed restriction on the brownfield that:

12 “(i) Is enforceable by the city or county in which the brownfield is located  
13 and by the department; and

14 “(ii) Is to last for at least 30 consecutive years following completion of  
15 the housing.

16 “(c) The brownfield is located in:

17 “(A) A census tract in which at least 20 percent of the residents are below  
18 the federal poverty line as determined under 42 U.S.C. 9902, as amended and  
19 in effect on December 31, 2020; or

20 “(B) A rural area or a distressed area.

21 “(d) At least 50 percent of the brownfield will be permanently dedicated  
22 as natural areas or public parks by a deed restriction on the brownfield that  
23 is enforceable by the city or county in which the brownfield is located and  
24 by the department.

25 “(e) The brownfield is located in an area designated as having unmet  
26 health care needs in the most recent unmet need designation report by the  
27 Office of Rural Health and on which hospital buildings or community health  
28 care facilities are subsequently constructed.

29 “(f) The brownfield is a developed site that became a brownfield as a di-  
30 rect result of wildfire.

1       **“SECTION 93.** ORS 285A.195 is amended to read:

2       “285A.195. (1) An owner or operator of a brownfield seeking a forgivable  
3 loan, including any enhancements, under ORS 285A.194 must submit to the  
4 [*Oregon Business Development Department*] **Oregon Department of Com-**  
5 **merce and Trade** an application in a form prescribed by the department,  
6 including:

7       “(a) An affidavit signed under penalty for false swearing that the appli-  
8 cant has not, by any acts, or omissions where there was a duty to act,  
9 caused, contributed to or exacerbated the release of a hazardous substance  
10 at the brownfield to which the application relates;

11       “(b) A statement that the applicant has entered into a voluntary agree-  
12 ment, cost recovery agreement, consent judgment or consent order with the  
13 Department of Environmental Quality for removal or remedial action at the  
14 brownfield subject to oversight by the Department of Environmental Quality;

15       “(c) An estimate of the type and amount of eligible costs the applicant  
16 expects to incur in investigating and remediating the brownfield;

17       “(d) A description of any enhancements listed in ORS 285A.194 (3) that  
18 will apply to the brownfield; and

19       “(e) Any other information the [*Oregon Business Development*  
20 *Department*] **Oregon Department of Commerce and Trade** considers nec-  
21 essary or useful to the administration of the program.

22       “(2)(a) Once the [*Oregon Business Development Department*] **Oregon De-**  
23 **partment of Commerce and Trade** has determined that an application is  
24 complete, the department shall approve or reject the application.

25       “(b) Rejection of an application does not preclude the owner or operator  
26 from reapplying at any time with respect to the same or another brownfield.

27       “(c) If the department approves an application, the department shall de-  
28 termine the amount of the forgivable loan, including any enhancements, and  
29 disburse the loan proceeds to the applicant pursuant to a loan agreement  
30 entered into by the department and the owner or operator.

1 “(d) Rejection of an application and the amount of a forgivable loan may  
2 not be appealed.

3 **“SECTION 94.** ORS 285A.196 is amended to read:

4 “285A.196. (1) A forgivable loan made under ORS 285A.195 shall be for-  
5 given upon submission by the owner or operator of all documentation re-  
6 quired by the [*Oregon Business Development Department*] **Oregon**  
7 **Department of Commerce and Trade**, including, but not limited to, an  
8 affidavit signed under penalty for false swearing:

9 “(a) Stating that the owner or operator has completed performance under  
10 the voluntary agreement, cost recovery agreement, consent judgment or  
11 consent order described in ORS 285A.195 (1)(b), other than the performance  
12 of long term water monitoring or compliance with institutional or engineer-  
13 ing controls;

14 “(b) Documenting the eligible costs incurred and attesting that the costs  
15 have not been reimbursed; and

16 “(c) Stating how the applicant has complied with any conditions required  
17 for any enhancement listed in ORS 285A.194 (3), including recording a deed  
18 restriction, for which the applicant received an additional forgivable loan.

19 “(2) A forgivable loan may not be forgiven under subsection (1) of this  
20 section and shall be repaid over a term of five years, with interest at the  
21 current primary credit rate of the discount window program of the United  
22 States Federal Reserve System plus three percent per annum, if:

23 “(a) The removal or remedial action at the brownfield for which the  
24 forgivable loan was made is not completed on a schedule set forth in the loan  
25 agreement between the department and the owner or operator entered into  
26 under ORS 285A.195; or

27 “(b) The owner or operator fails to comply with any condition set forth  
28 in the loan agreement.

29 “(3) The department may in its discretion allow owners or operators to  
30 cure noncompliance with performance or other conditions set forth in loan



1 agreements.

2 “(4) The department may seek appropriate legal remedies to secure re-  
3 payment of forgivable loans due the Oregon Brownfield Properties  
4 Revitalization Fund established under ORS 285A.198.

5 “(5) Moneys repaid to the department under this section shall be depos-  
6 ited in the Oregon Brownfield Properties Revitalization Fund.

7 **“SECTION 95.** ORS 285A.197 is amended to read:

8 “285A.197. The [*Oregon Business Development Department*] **Oregon De-**  
9 **partment of Commerce and Trade** shall establish by rule the procedures  
10 and criteria for administration of the program established under ORS  
11 285A.193 to 285A.198, including, but not limited to, the methods of deter-  
12 mining:

13 “(1) The distribution of forgivable loans;

14 “(2) The amount of a forgivable loan, including enhancements listed in  
15 ORS 285A.194 (3);

16 “(3) The terms of forgivable loan enhancements under ORS 285A.194 (3);

17 “(4) The conditions attached to a loan;

18 “(5) The circumstances in which forgivable loans must be repaid under  
19 ORS 285A.196; and

20 “(6) Any means by which noncompliance with applicable performance or  
21 other conditions attached to a loan may be cured by the owner or operator.

22 **“SECTION 96.** ORS 285A.198 is amended to read:

23 “285A.198. (1) The Oregon Brownfield Properties Revitalization Fund is  
24 established in the State Treasury, separate and distinct from the General  
25 Fund. Interest earned by the Oregon Brownfield Properties Revitalization  
26 Fund shall be credited to the fund. All moneys in the Oregon Brownfield  
27 Properties Revitalization Fund are continuously appropriated to the [*Oregon*  
28 *Business Development Department*] **Oregon Department of Commerce and**  
29 **Trade** for the purposes of ORS 285A.193 to 285A.198.

30 “(2) The Oregon Brownfield Properties Revitalization Fund shall consist

1 of all moneys credited to the fund, including but not limited to:

2 “(a) Moneys appropriated or transferred to the fund by the Legislative  
3 Assembly or the [*Oregon Business Development Commission*] **Oregon Com-  
4 merce and Trade Commission;**

5 “(b) Forgivable loans repaid under ORS 285A.196 and interest due on the  
6 moneys;

7 “(c) Amounts donated to the fund;

8 “(d) Moneys transferred to the fund from the federal government, state  
9 agencies or local governments;

10 “(e) Lottery bond proceeds allocated by the Legislative Assembly for de-  
11 posit in the fund;

12 “(f) Earnings received on moneys in the fund; and

13 “(g) Other amounts transferred to the fund from any source.

14 “**SECTION 97.** ORS 285A.200 is amended to read:

15 “285A.200. (1) The [*Oregon Business Development Department*] **Oregon  
16 Department of Commerce and Trade** may accept gifts of money or other  
17 property from any public or private agency or person made for the purpose  
18 of assisting the department to carry out any programs or laws that the de-  
19 partment is charged with administering. Moneys so received shall be paid  
20 into an appropriate fund or account. Property so received shall be used for  
21 the purposes for which that property is given.

22 “(2) The department may apply for, receive from the United States or any  
23 of its agencies, and disburse or supervise the disbursement of federal aid for  
24 the purposes for which the aid is provided. The department may also disburse  
25 or supervise the disbursement of funds provided by the State of Oregon for  
26 expenditure as a condition of receiving the federal aid.

27 “(3) The department may assess and charge fees:

28 “(a) For loans made from any of its funds or accounts; and

29 “(b) For program benefits provided and administrative expenses incurred  
30 by the department in the administration of the process developed in accord-

1 ance with ORS 284.565 to certify sites that are ready for industrial or traded  
2 sector development.

3 **“SECTION 98.** ORS 285A.206 is amended to read:

4 “285A.206. (1) In each calendar year, the [*Oregon Business Development*  
5 *Department*] **Oregon Department of Commerce and Trade** shall prepare,  
6 in accordance with generally accepted governmental accounting principles,  
7 a financial statement for individual funding programs as required by law.

8 “(2) The financial statements required by this section shall record and  
9 summarize all the financial transactions during the reporting period that  
10 involved moneys credited to a fund or account and shall describe the finan-  
11 cial condition of the fund or an account at the end of the reporting period.  
12 The reporting period for financial statements required by this section shall  
13 be the fiscal year commencing on July 1 and ending on June 30.

14 “(3) The financial statements required by this section shall be in a form  
15 prescribed by the Secretary of State.

16 “(4) Each financial statement required by this section shall describe the  
17 financial transactions and condition of a single fund and shall be submitted  
18 to the Governor, the President of the Senate and the Speaker of the House  
19 of Representatives not later than December 31 in each year.

20 **“SECTION 99.** ORS 285A.213 is amended to read:

21 “285A.213. (1) There is established in the State Treasury, separate and  
22 distinct from the General Fund, the Safe Drinking Water Revolving Loan  
23 Fund. All moneys in the Safe Drinking Water Revolving Loan Fund are  
24 continuously appropriated to the [*Oregon Business Development Department*]  
25 **Oregon Department of Commerce and Trade** for the Oregon  
26 Infrastructure Finance Authority for the purposes set forth in this section.

27 “(2) The Oregon Infrastructure Finance Authority shall administer the  
28 Safe Drinking Water Revolving Loan Fund in accordance with a memoran-  
29 dum of understanding between the Oregon Infrastructure Finance Authority  
30 and the Oregon Health Authority.

1 “(3) The Safe Drinking Water Revolving Loan Fund shall consist of:  
2 “(a) Moneys transferred to the fund by the Oregon Health Authority for  
3 purposes authorized by the memorandum of understanding between the  
4 Oregon Health Authority and the Oregon Infrastructure Finance Authority.  
5 “(b) Moneys transferred to the fund by the federal government, other state  
6 agencies or local governments.  
7 “(c) Moneys transferred to the fund by the Legislative Assembly or the  
8 Oregon Infrastructure Finance Authority.  
9 “(d) Proceeds from the sale of revenue bonds.  
10 “(e) Repayment of financial assistance provided with moneys from the  
11 fund.  
12 “(f) Interest and other earnings on moneys in the fund.  
13 “(4) Moneys in the Safe Drinking Water Revolving Loan Fund shall be  
14 used to provide financial or other assistance to publicly owned and privately  
15 owned water systems under the Safe Drinking Water Act Amendments of  
16 1996, P.L. 104-182, and rules of the [*Oregon Business Development*  
17 *Department*] **Oregon Department of Commerce and Trade**. As used in this  
18 subsection, ‘assistance’ includes direct purchase by the Oregon Infrastructure  
19 Finance Authority of goods or services related to a water system project to  
20 the extent permitted by the memorandum of understanding between the  
21 Oregon Infrastructure Finance Authority and the Oregon Health Authority,  
22 and by the Safe Drinking Water Act Amendments of 1996, and as authorized  
23 by rules of the [*Oregon Business Development Department*] **Oregon Depart-**  
24 **ment of Commerce and Trade**.  
25 “(5) The owner of a water system may borrow from the Safe Drinking  
26 Water Revolving Loan Fund by entering into a loan agreement with the  
27 Oregon Infrastructure Finance Authority. The owner of a municipally owned  
28 water system may enter into a loan agreement with the Oregon  
29 Infrastructure Finance Authority notwithstanding any restriction on indebt-  
30 edness in the charter or bylaws of the municipality or any other provision

1 of law. Moneys owed to the Oregon Infrastructure Finance Authority by the  
2 borrower under a loan agreement may be paid from:

3 “(a) Revenue from any water system project of the borrower, including  
4 special assessment revenue;

5 “(b) Amounts withheld under subsection (6) of this section;

6 “(c) The general fund of the borrower;

7 “(d) Any combination of sources listed in paragraphs (a) to (c) of this  
8 subsection; or

9 “(e) Any other source.

10 “(6) If a borrower fails to comply with a loan agreement entered into  
11 under subsection (5) of this section, the [*Oregon Business Development De-*  
12 *partment*] **Oregon Department of Commerce and Trade** may seek appro-  
13 priate legal remedies to secure any repayment due the Safe Drinking Water  
14 Revolving Loan Fund. If a borrower defaults on repayment due the fund, the  
15 State of Oregon may withhold any amounts otherwise due to the borrower.  
16 Any amounts withheld under this subsection shall be credited toward re-  
17 payment of the borrower’s indebtedness to the fund.

18 “**SECTION 100.** ORS 285A.224 is amended to read:

19 “285A.224. (1) It is the purpose of the Business Retention Fund to assist  
20 businesses, communities and workers affected by significant business transi-  
21 tions, economic dislocation or the possibility of economic dislocations to  
22 evaluate and implement alternative business or community opportunities and  
23 to focus on the long term survivability of businesses.

24 “(2) The Business Retention Fund is created separate and distinct from  
25 the General Fund. The fund shall be administered by the [*Oregon Business*  
26 *Development Department*] **Oregon Department of Commerce and Trade**.  
27 The fund may be credited with contributions of moneys from public and pri-  
28 vate sources and with repayments as provided in this section. Interest earned  
29 by the fund shall be credited to the fund.

30 “(3)(a) The department may allocate moneys in the fund for the following

1 purposes:

2 “(A) Business retention service;

3 “(B) Employee ownership;

4 “(C) Community response to plant closures or community distress, or  
5 both; and

6 “(D) Feasibility studies, transition plans or restructuring plans.

7 “(b) The department shall establish the maximum percentage of the fund  
8 that may be allocated for the purposes described in paragraph (a) of this  
9 subsection and a minimum match requirement, if any.

10 “(4) The department may grant, expend or loan moneys in the fund for  
11 financial assistance, feasibility studies, transition plans, restructuring plans,  
12 technical assistance and management consulting services for business firms  
13 in transition, troubled firms that may close without assistance, for troubled  
14 firms that are experiencing major layoffs or firms that have actually closed  
15 or announced closure, and for communities that are experiencing distress due  
16 to the business closures, under such terms and conditions as the department  
17 may determine.

18 “(5) The department shall provide that firms receiving assistance repay  
19 to the Business Retention Fund any assistance provided under subsection (4)  
20 of this section. When the department sets repayment terms for a firm re-  
21 ceiving assistance, the department shall consider the financial ability of the  
22 firm to repay assistance.

23 “(6) In providing assistance from the Business Retention Fund, the de-  
24 partment may give preference to Oregon’s rural and distressed areas and its  
25 traditional agriculture, forestry and fishing industries. The department may  
26 also give priority to areas including but not limited to emerging industries  
27 and industry clusters with high potential for job retention and creation and  
28 market growth, as well as traded sector firms competing in markets for  
29 which regional, national or international competition exists.

30 “(7) The department shall adopt by rule specific criteria for expenditure

1 of moneys from the Business Retention Fund.

2 **“SECTION 101.** ORS 285A.227 is amended to read:

3 “285A.227. (1) There is created within the State Treasury, separate and  
4 distinct from the General Fund, the Oregon Business, Innovation and Trade  
5 Fund. Interest earned by the Oregon Business, Innovation and Trade Fund  
6 shall be credited to the fund. The moneys in the Oregon Business, Innovation  
7 and Trade Fund are continuously appropriated to the [*Oregon Business De-*  
8 *velopment Department*] **Oregon Department of Commerce and Trade** for  
9 the purpose of financing programs and projects that promote business and  
10 economic development throughout the state. The fund shall consist of all  
11 moneys credited to the fund, including moneys from the Administrative Ser-  
12 vices Economic Development Fund, federal funds collected or received, and  
13 fees, moneys or other revenues, including Miscellaneous Receipts, collected  
14 or received by the department, and all interest earnings that accrue to the  
15 fund.

16 “(2) The Oregon Business, Innovation and Trade Fund is created to pro-  
17 vide a flexible funding source for financing those programs and projects that  
18 are determined by the [*Oregon Business Development Commission*] **Oregon**  
19 **Commerce and Trade Commission** under the policies, criteria and stan-  
20 dards set forth in ORS 285A.020, 285A.045 and 285A.055 to further business  
21 and economic development. The [*Oregon Business Development Department*]  
22 **Oregon Department of Commerce and Trade** may finance programs and  
23 projects determined by the commission to further business and economic de-  
24 velopment by making grants or loans using moneys in the fund. Notwith-  
25 standing ORS 279A.140, the department may enter into contracts as  
26 necessary or appropriate to implement programs and projects determined by  
27 the commission to further business and economic development using moneys  
28 in the fund.

29 “(3) The [*Oregon Business Development Department*] **Oregon Department**  
30 **of Commerce and Trade**, by rule, shall adopt standards, objectives and

1 criteria for use of the moneys in the Oregon Business, Innovation and Trade  
2 Fund and for the adjustment of allocations to programs and projects that  
3 receive funding from the fund.

4 **“SECTION 102.** ORS 285A.230 is amended to read:

5 “285A.230. The University Innovation Research Fund is established in the  
6 State Treasury, separate and distinct from the General Fund. Interest earned  
7 by the University Innovation Research Fund must be credited to the fund.  
8 The fund consists of all moneys appropriated, allocated, deposited or trans-  
9 ferred to the fund by the Legislative Assembly or otherwise and any do-  
10 nations or grants received for the purpose of the fund. Moneys in the fund  
11 are continuously appropriated to the [*Oregon Business Development Depart-*  
12 *ment*] **Oregon Department of Commerce and Trade** to make grants to  
13 public universities listed in ORS 352.002 or grants to the Oregon Health and  
14 Science University for the purpose of matching competitive federal research  
15 grant awards.

16 **“SECTION 103.** ORS 285A.306 is amended to read:

17 “285A.306. (1) There is established in the State Treasury, separate and  
18 distinct from the General Fund, the Title I Bank Fund. All moneys in the  
19 fund are continuously appropriated to the [*Oregon Business Development*  
20 *Department*] **Oregon Department of Commerce and Trade** for the Oregon  
21 Infrastructure Finance Authority to provide financing for community devel-  
22 opment projects. Interest earned by the Title I Bank Fund shall be credited  
23 to the fund.

24 “(2) Moneys in the Title I Bank Fund, with the approval of the State  
25 Treasurer, may be invested as provided by ORS 293.701 to 293.857, and the  
26 earnings from such investments and other program income shall be credited  
27 to the Title I Bank Fund.

28 “(3) The Title I Bank Fund shall consist of:

29 “(a) Moneys appropriated to the fund by the Legislative Assembly.

30 “(b) Repayment of loans made by cities and counties with grants from the



1 Oregon Community Development Block Grant Program, including interest  
2 earnings.

3 “(4) The Oregon Infrastructure Finance Authority shall administer the  
4 fund.

5 “(5) The department shall adopt rules and policies for the administration  
6 of the fund.

7 “(6) The authority may charge program administrative costs to the fund  
8 to pay for administrative expenses incurred to the authority for processing  
9 applications and investigating community development projects.

10 **“SECTION 104.** ORS 285A.346 is amended to read:

11 “285A.346. (1)(a) The [*Oregon Business Development Department*] **Oregon**  
12 **Department of Commerce and Trade** may purchase business assistance  
13 services from public or private organizations for delivery to small businesses  
14 in this state or may provide grants to public or private organizations to  
15 support, aid, stimulate or otherwise affect the delivery of business assistance  
16 services to small businesses in this state.

17 “(b) For the purposes of ORS 285A.340 to 285A.349, ‘business assistance  
18 services’ includes:

19 “(A) Basic business training, including elements of accounting, personnel  
20 management, marketing and tax compliance.

21 “(B) Counseling on business needs and problems, including but not limited  
22 to specialized assistance with intellectual property rights, federal research  
23 grants, international markets, lean manufacturing and electronic commerce.

24 “(C) Assistance in securing state and federal procurement contracts.

25 “(D) Assistance in securing Oregon suppliers for goods and services.

26 “(2) An organization or association that receives state moneys for the  
27 purpose of providing business assistance services to small businesses shall  
28 comply, to the greatest extent feasible, with the state policies established  
29 under ORS 285A.340 to 285A.349.

30 “(3) To the extent that federal laws or regulations impose requirements

1 that limit the payment of fees by recipients of business assistance services  
2 to small businesses, the department and the providers of those services shall  
3 apply for waivers of such federal requirements.

4 **“SECTION 105.** ORS 285A.349 is amended to read:

5 “285A.349. The [*Oregon Business Development Department*] **Oregon De-**  
6 **partment of Commerce and Trade** shall evaluate the efficiency and effec-  
7 tiveness of the delivery of business assistance services to small businesses.

8 **“SECTION 106.** ORS 285A.422 is amended to read:

9 “285A.422. As used in ORS 285A.420 to 285A.435:

10 “(1) ‘Agricultural improvements’ means any improvements, buildings,  
11 structures or fixtures suitable for use in farming that are located on agri-  
12 cultural land.

13 “(2) ‘Agricultural land’ means land located in this state that is suitable  
14 for use in farming and that is or will be operated as a farm.

15 “(3) ‘Agricultural project’ means agricultural improvements, agricultural  
16 land or depreciable agricultural property.

17 “(4) ‘Beginning farmer’ means a person, as defined by the [*Oregon Busi-*  
18 *ness Development Department*] **Oregon Department of Commerce and**  
19 **Trade** by rule.

20 “(5) ‘Depreciable agricultural property’ means personal property suitable  
21 for use in farming for which an income tax deduction for depreciation is al-  
22 lowable in computing federal income tax under the Internal Revenue Code,  
23 including but not limited to farm machinery and trucks but not including  
24 feeder livestock, seed, feed, fertilizer and other types of inventory or supplies.

25 “(6) ‘Eligible revenue’ means the revenue or assets of an eligible agricul-  
26 tural project that are provided as security for a loan under ORS 285A.420 to  
27 285A.435 by a beginning farmer, an agent of the beginning farmer or a re-  
28 lated party to the beginning farmer.

29 “(7) ‘Lender’ means a person or entity authorized to make loans to be-  
30 ginning farmers pursuant to ORS 285A.420 to 285A.435, that is one of the

1 following:

2 “(a) An insured institution, as defined in ORS 706.008, that is authorized  
3 to do business in Oregon;

4 “(b) A person selling agricultural land to a beginning farmer pursuant to  
5 an owner-financed agreement or sales contract;

6 “(c) An institution organized and existing under the Farm Credit Act of  
7 1971 (12 U.S.C. 2001 et seq.); and

8 “(d) Other persons or entities as defined by rule adopted by the [*Oregon*  
9 *Business Development Department*] **Oregon Department of Commerce and**  
10 **Trade.**

11 **“SECTION 107.** ORS 285A.425 is amended to read:

12 “285A.425. (1) The [*Oregon Business Development Department*] **Oregon**  
13 **Department of Commerce and Trade**, in consultation with the State De-  
14 partment of Agriculture and potential lenders, shall create the Beginning  
15 and Expanding Farmer Loan Program to facilitate the making of loans to  
16 beginning farmers to finance the acquisition of an approved agricultural  
17 project.

18 “(2) Before revenue bonds may be issued for the program, an agricultural  
19 project must be determined to be eligible for a loan under ORS 285A.420 to  
20 285A.435 and the beginning farmer must be qualified by the lender to receive  
21 the loan.

22 “(3) The [*Oregon Business Development Department*] **Oregon Department**  
23 **of Commerce and Trade** shall adopt rules for the operation of the program,  
24 to define terms and to establish an application process and requirements,  
25 criteria and eligibility standards for beginning farmers and lenders to par-  
26 ticipate in the program. The department may approve a loan only if all of  
27 the following are satisfied:

28 “(a) The lender is approved to participate in the program.

29 “(b) The beginning farmer is a resident of this state.

30 “(c) The agricultural project that is the subject of the loan is located, or

1 will be used, in this state.

2 “(d) The lender acknowledges that the loan to the beginning farmer is  
3 secured only by the eligible revenue of an eligible agricultural project and  
4 not by revenue or assets of the State of Oregon.

5 “(e) The beginning farmer will materially and substantially participate in  
6 the farming for which the loan is sought.

7 “(f) The eligible agricultural project will be used for farming only by the  
8 beginning farmer or by the beginning farmer and the beginning farmer’s  
9 family.

10 “(g) The beginning farmer and the lender have complied with any other  
11 requirement, criterion or standard prescribed by the department by rule.

12 “(4)(a) The department may charge fees to lenders and beginning farmers  
13 as necessary:

14 “(A) To administer the program; and

15 “(B) To cover the cost of procurement of bond counsel, State Treasurer  
16 fees, department issuance fees and trustee fees.

17 “(b) Lenders may charge fees and points as agreed to by the beginning  
18 farmer and the lender and as approved by the department.

19 “(5) The lender and the beginning farmer shall agree to the terms of the  
20 loan, including interest rate and length of loan. The lender is responsible for  
21 making an independent credit evaluation of the beginning farmer or the  
22 farming enterprise for which the loan is sought.

23 “(6) The [*Oregon Business Development Department*] **Oregon Department**  
24 **of Commerce and Trade** may enter into contracts and agreements as nec-  
25 essary and appropriate to implement and manage the program.

26 “**SECTION 108.** ORS 285A.430 is amended to read:

27 “285A.430. (1) At the request of the [*Oregon Business Development De-*  
28 *partment*] **Oregon Department of Commerce and Trade**, the State Treas-  
29 urer may from time to time issue revenue bonds to:

30 “(a) Finance agricultural projects determined eligible for financing under

1 ORS 285A.420 to 285A.435;

2 “(b) Refund bonds issued for the program; or

3 “(c) Pay bond-related costs and other costs related to loans approved un-  
4 der ORS 285A.420 to 285A.435.

5 “(2) If the State Treasurer issues the revenue bonds pursuant to this sec-  
6 tion:

7 “(a) The State Treasurer shall:

8 “(A) Issue the revenue bonds in the name of the State of Oregon in the  
9 manner provided by ORS chapter 286A; and

10 “(B) Identify the revenue bonds to the agricultural projects financed by  
11 the revenue bonds.

12 “(b) The State Treasurer or the department shall designate the trustee,  
13 financial advisor and bond counsel, if any, and enter into appropriate  
14 agreements with each to carry out ORS 285A.420 to 285A.435. The powers  
15 conferred on a related agency under ORS chapter 286A with respect to the  
16 designation of trustee, financial advisor and bond counsel do not apply to  
17 revenue bonds issued under this section.

18 “(3) A trustee designated to carry out provisions of ORS 285A.420 to  
19 285A.435 must agree to make reports as required by the State Treasurer or  
20 the department.

21 “(4) The State Treasurer may charge administrative expenses of the State  
22 Treasurer against proceeds of the revenue bonds or eligible revenues of ag-  
23 ricultural projects.

24 “(5) The State Treasurer is the elected representative for purposes of ap-  
25 proving the issuance of revenue bonds under ORS 285A.420 to 285A.435 to the  
26 extent that approval is required under section 147(f) of the Internal Revenue  
27 Code.

28 “(6) The validity of revenue bonds authorized by ORS 285A.420 to  
29 285A.435 is not dependent on or affected by the validity or regularity of  
30 proceedings relating to the acquisition, purchase, construction, recon-

1 construction, installation, improvement, betterment, extension, management, op-  
2 eration or funding of the agricultural project for which revenues bonds are  
3 issued. The revenues bonds must contain a recital that the bonds are issued  
4 pursuant to this section and the recital is conclusive evidence of the validity  
5 and the regularity of the issuance of the bonds.

6 “(7) Revenue bonds issued under this section are not:

7 “(a) Secured by, payable from and chargeable to moneys other than the  
8 eligible revenue of agricultural projects that are pledged to pay the revenue  
9 bonds.

10 “(b) A liability of the State of Oregon. A holder or owner of the revenue  
11 bonds may not compel an exercise of the taxing power of the state to pay the  
12 revenue bonds or the interest on the revenue bonds or enforce payment of  
13 the revenue bonds against property of the state except the eligible revenue  
14 of an agricultural project.

15 “(c) A charge lien or encumbrance, legal or equitable, upon property of  
16 the state, except the eligible revenue of an agricultural project.

17 “(8) Bonds issued under this section must contain a recital that:

18 “(a) The revenue bonds and interest on the revenue bonds are payable  
19 solely from the eligible revenue of an agricultural project.

20 “(b) The revenue bonds do not constitute a debt of the state or a lending  
21 of the credit of the state within the meaning of any constitutional or statu-  
22 tory limitation.

23 “(9) The holders or owners of revenue bonds issued under this section, or  
24 a trustee, may, if permitted by the documents associated with the revenue  
25 bonds:

26 “(a) By action or proceeding for legal or equitable remedies, enforce  
27 rights granted against, and compel the performance of duties and obligations  
28 of, the State of Oregon or its officers, agents or employees.

29 “(b) By action require the state to account as if it were the trustee of an  
30 express trust.

1 “(c) By action enjoin any acts or things that are unlawful or in violation  
2 of a right of the bondholders.

3 “(d) Bring action upon the revenue bonds.

4 “(e) Exercise rights or remedies conferred by ORS 285A.420 to 285A.435  
5 in addition to and not in lieu of any other right or remedy conferred by ORS  
6 285A.420 to 285A.435 or any other law of this state.

7 **“SECTION 109.** ORS 285A.433 is amended to read:

8 “285A.433. (1) The [*Oregon Business Development Department*] **Oregon**  
9 **Department of Commerce and Trade** may:

10 “(a) Lend the proceeds of revenue bonds authorized by ORS 285A.420 to  
11 285A.435 for approved agricultural projects.

12 “(b) Make contracts, execute instruments and do what is necessary or  
13 appropriate to carry out ORS 285A.420 to 285A.435.

14 “(2) The documents associated with revenue bonds or loans authorized by  
15 ORS 285A.420 to 285A.435 may specify:

16 “(a) The use and disposition of the revenues of an eligible agricultural  
17 project.

18 “(b) The creation and maintenance of sinking funds and the regulation,  
19 disposition and use of moneys in the sinking funds.

20 “(c) The creation and maintenance of funds to provide for maintaining the  
21 eligible agricultural project and replacement of properties depreciated, dam-  
22 aged, destroyed or condemned.

23 “(d) The disposition and use of the proceeds of revenue bonds.

24 “(e) The nature of mortgages or other encumbrances on the eligible agri-  
25 cultural project made in favor of the holder or owners of revenue bonds or  
26 in favor of an escrow agent, vendor, lender, other financing party or trustee.

27 “(f) The events of default, the rights and liabilities and the terms and  
28 conditions upon which the holders or owners of revenue bonds issued under  
29 ORS 285A.430 may bring an action or proceeding on the revenue bonds.

30 “(g) The conditions under which additional revenue bonds or other obli-

1 gations may be issued that are payable from eligible revenue of an eligible  
2 agricultural project.

3 “(h) The insurance to be carried on an eligible agricultural project and  
4 the disposition and use of insurance moneys.

5 “(i) The keeping of books of account and the inspection and audit of the  
6 books.

7 “(j) The terms and conditions upon which all or part of the revenue bonds  
8 become, or may be declared, due before maturity and the terms and condi-  
9 tions upon which a declaration and the consequences of the declaration may  
10 be waived.

11 “(k) The rights, liabilities, powers and duties arising upon the breach by  
12 a beginning farmer, a lender or a related party.

13 “(L) The appointing of and vesting in a trustee of the right to enforce  
14 covenants made to secure or to pay the revenue bonds, the powers and duties  
15 of the trustee and the limitation of the liability of the trustee.

16 “(m) The terms and conditions upon which holders or owners of the rev-  
17 enue bonds may enforce covenants made by beginning farmers, trustees and  
18 other parties to the bond documents.

19 “(n) The subordination of the security of revenue bonds authorized by  
20 ORS 285A.420 to 285A.435, and the payment of principal and interest on the  
21 revenue bonds, to other bonds or obligations of the State of Oregon that:

22 “(A) Are issued to finance the approved agricultural project; or

23 “(B) That are outstanding when the subordinated revenue bonds are is-  
24 sued and delivered.

25 “(o) Other terms approved by the department that are consistent with  
26 ORS 285A.420 to 285A.435.

27 “(3) The State of Oregon:

28 “(a) May not acquire an ownership or leasehold interest in an approved  
29 agricultural project in connection with the financing of the agricultural  
30 project.



1 “(b) May not operate an approved agricultural project as a business or  
2 in any manner whatsoever.

3 “(c) May not expend moneys on an eligible agricultural project, other  
4 than eligible revenue of the eligible agricultural project, the proceeds of  
5 revenue bonds issued under ORS 285A.430 or other moneys received by the  
6 state as grants or gifts with which to make payments for an eligible agri-  
7 cultural project.

8 **“SECTION 110.** ORS 285A.435 is amended to read:

9 “285A.435. (1) There is created the Beginning and Expanding Farmer Loan  
10 Program Fund, separate and distinct from the General Fund. Interest earned  
11 by the Beginning and Expanding Farmer Loan Program Fund shall be cred-  
12 ited to the fund. All moneys credited to the fund are continuously appropri-  
13 ated to the [*Oregon Business Development Department*] **Oregon Department**  
14 **of Commerce and Trade** for the purpose of implementing and operating the  
15 Beginning and Expanding Farmer Loan Program under ORS 285A.420 to  
16 285A.435.

17 “(2) The fund shall consist of all moneys credited to the fund, including:

18 “(a) Moneys appropriated to the fund by the Legislative Assembly or  
19 transferred to the fund by the [*Oregon Business Development Department*]  
20 **Oregon Department of Commerce and Trade;**

21 “(b) Earnings on moneys in the fund;

22 “(c) Fees paid to the department by beginning farmers and lenders; and

23 “(d) Moneys from any other source, including but not limited to grants  
24 and gifts.

25 “(3) Moneys in the fund may be invested as provided by ORS 293.701 to  
26 293.857 and the earnings from investments shall be credited to the fund.

27 “(4) The department may establish accounts within the fund to carry out  
28 ORS 285A.420 to 285A.435.

29 **“SECTION 111.** ORS 285A.600 is amended to read:

30 “285A.600. (1) The Legislative Assembly declares that it is the policy of

1 this state to include Oregon’s ports in planning and implementing economic  
2 development and transportation programs. To that end, the [*Oregon Business*  
3 *Development Commission*] **Oregon Commerce and Trade Commission** and  
4 the [*Oregon Business Development Department*] **Oregon Department of**  
5 **Commerce and Trade**, through the Oregon Infrastructure Finance Author-  
6 ity, may work to:

7 “(a) Coordinate with the Department of Transportation and other state  
8 agencies, commissions and advisory committees engaged in activities affect-  
9 ing ports to facilitate port planning and development;

10 “(b) Promote local cooperation in statewide planning and development of  
11 the ports;

12 “(c) Promote long-term economic self-sufficiency of the ports;

13 “(d) Encourage cost-effective investments with prudent financial consid-  
14 eration of port development projects; and

15 “(e) Facilitate ports in their efforts to respond to domestic and interna-  
16 tional market opportunities.

17 “(2) The Legislative Assembly also declares that:

18 “(a) The State of Oregon recognizes, supports and promotes a federal role  
19 in the continuation of the maintenance and development of federally au-  
20 thorized waterway projects.

21 “(b) Because the federal role is changing, the responsibilities of this state  
22 may vary in terms of direct involvement in waterway transportation.

23 “(c) It is the policy of the State of Oregon to support the continued  
24 maintenance and development of the following waterways as key elements  
25 of the statewide transportation system:

26 “(A) The navigation channels of the Columbia River, Coos Bay and  
27 Yaquina Bay and any other commercial waterway segments that provide a  
28 link for movement of products to and from world and regional markets.

29 “(B) Waterway segments that serve as transportation corridors for large  
30 volumes of bulk and agricultural commodities and that provide shippers a

1 cost-effective means to transport products.

2 “(C) The coastal channels and harbors that support commercial and  
3 water-dependent activities.

4 **“SECTION 112.** ORS 285A.627 is amended to read:

5 “285A.627. (1) The [*Oregon Business Development Commission*] **Oregon**  
6 **Commerce and Trade Commission** and the [*Oregon Business Development*  
7 *Department*] **Oregon Department of Commerce and Trade**, through the  
8 Oregon Infrastructure Finance Authority, shall be the statewide coordinat-  
9 ing, planning and research entity for all ports and port authorities in this  
10 state to ensure the most orderly, efficient and economical development of the  
11 state port system.

12 “(2) Notwithstanding any other provision of law, after July 1, 1969, no  
13 port or port authority may be formed without the prior approval of the  
14 Oregon Infrastructure Finance Authority.

15 “(3) The authority is the statewide coordinating, planning and research  
16 entity for port activities involving international trade and international  
17 trade development and industrial, commercial and recreational development.

18 **“SECTION 113.** ORS 285A.654 is amended to read:

19 “285A.654. (1) There is created within the State Treasury, separate and  
20 distinct from the General Fund, the Port Planning and Marketing Fund. All  
21 moneys in the Port Planning and Marketing Fund are appropriated contin-  
22 uously to the [*Oregon Business Development Department*] **Oregon Depart-**  
23 **ment of Commerce and Trade** for the Oregon Infrastructure Finance  
24 Authority and shall be used by the authority for:

25 “(a) Administrative expenses of the authority in processing grant appli-  
26 cations and investigating proposed planning or marketing projects related to  
27 ports.

28 “(b) Payment of grants under ORS 285A.654 to 285A.660 to ports formed  
29 under ORS 777.010 and 777.050.

30 “(c) Direct purchase by the authority of goods or services to assist ports

1 in implementing planning or marketing projects approved for grant financing  
2 under ORS 285A.654 to 285A.660.

3 “(2) The Port Planning and Marketing Fund shall consist of:

4 “(a) Moneys appropriated to the fund by the Legislative Assembly.

5 “(b) Moneys obtained from gifts or grants received under ORS 285A.200.

6 “(c) Moneys obtained from interest earned on the investment of such  
7 moneys.

8 “(3) Moneys in the Port Planning and Marketing Fund, with the approval  
9 of the State Treasurer, may be invested as provided by ORS 293.701 to  
10 293.857, and the earnings from such investments shall be credited to the Port  
11 Planning and Marketing Fund.

12 **“SECTION 114.** ORS 285A.660 is amended to read:

13 “285A.660. (1) The Oregon Infrastructure Finance Authority shall develop  
14 marketing grant funding priorities considering such factors as community  
15 need and whether the project will lead to economic diversification, develop-  
16 ment of a new or emerging industry and redevelopment of existing public  
17 facilities. The authority shall give priority to regional or cooperative  
18 projects, and projects that leverage other marketing efforts by the state or  
19 other local government units.

20 “(2) The authority shall review all proposals to avoid duplication of  
21 marketing efforts among ports, and to maintain consistency with the appli-  
22 cable county or city comprehensive plans.

23 “(3) Ports shall develop and maintain strategic business plans before ob-  
24 taining funding. A strategic business plan developed and maintained under  
25 this subsection must comply with standards and requirements for strategic  
26 business plans established by the [*Oregon Business Development*  
27 *Department*] **Oregon Department of Commerce and Trade** by rule. The  
28 department shall also establish by rule the date by which ports seeking  
29 funding must have a strategic business plan in place.

30 **“SECTION 115.** ORS 285A.681 is amended to read:

1 “285A.681. (1) If the Oregon Infrastructure Finance Authority approves  
2 the project, the authority, on behalf of the state, and the applicant may enter  
3 into a loan contract that is secured by good and sufficient collateral.

4 “(2) A loan contract entered into pursuant to this section shall set forth,  
5 among other matters:

6 “(a) A plan for repayment by the applicant to the Oregon Port Revolving  
7 Fund of moneys borrowed from the fund for the project and interest on the  
8 moneys at a rate of interest determined by the authority.

9 “(b) Provisions satisfactory to the authority for field engineering and in-  
10 spection, the authority to be the final judge of completion of the contract.

11 “(c) That the liability of the state under the contract is contingent upon  
12 the availability of moneys in the Oregon Port Revolving Fund for use in the  
13 project.

14 “(d) Any other provision the authority considers necessary to ensure ex-  
15 penditure of the funds for the purposes set forth in the approved application.

16 “(3) The repayment plan required under subsection (2) of this section,  
17 among other matters:

18 “(a)(A) Shall provide for commencement of repayment by the port district  
19 of moneys used for the project and interest on the moneys no later than one  
20 year after the date of the loan contract or at any other time as the authority  
21 may provide.

22 “(B) Notwithstanding subparagraph (A) of this paragraph and upon ap-  
23 proval by the authority, may provide, with respect to a flexible manufactur-  
24 ing space project, that no interest shall accrue until the building is at least  
25 25 percent occupied or until three years after the date of the loan contract,  
26 whichever is earlier.

27 “(b) May provide for reasonable extension of the time for making any  
28 repayment in emergency or hardship circumstances if approved by the au-  
29 thority.

30 “(c) Shall provide for such evidence of debt assurance of, and security for,

1 repayment by the applicant as the authority considers necessary.

2 “(d) Shall specify a loan term that may not exceed the useful life of the  
3 contracted project or 30 years from the year of project completion, whichever  
4 is less.

5 “(e) Shall include a payment schedule that:

6 “(A) Provides for repayment of interest that accrues during any period  
7 of delay in repayment authorized under paragraph (a) of this subsection; and

8 “(B) May require payments of varying amounts for collection of the ac-  
9 crued interest.

10 “(f) Shall provide for partial or complete repayment, in excess of sched-  
11 uled payments, of any outstanding principal loan amount without penalty.

12 “(4) The Oregon Infrastructure Finance Authority may make limited  
13 moneys available from the Oregon Port Revolving Fund to eligible ports for  
14 grants to assist with capital improvement projects.

15 “(5) The [*Oregon Business Development Department*] **Oregon Department**  
16 **of Commerce and Trade** shall adopt by rule eligibility criteria and award  
17 limits for grants from the fund.

18 “**SECTION 116.** ORS 285A.690 is amended to read:

19 “285A.690. (1) The [*Oregon Business Development Department*] **Oregon**  
20 **Department of Commerce and Trade** may institute proceedings to fore-  
21 close any lien for delinquent loan payments.

22 “(2) If a port district fails to comply with a contract entered into pursuant  
23 to ORS 285A.681, the department may seek appropriate legal remedies to se-  
24 cure the loan, and may contract with any port project developer for contin-  
25 uation of the project and for repayment of moneys from the Oregon Port  
26 Revolving Fund used therefor and interest thereon.

27 “(3) The department may also provide by contract or otherwise for a  
28 project until the project is assumed by the new port project developer.

29 “**SECTION 117.** ORS 285A.696 is amended to read:

30 “285A.696. The [*Oregon Business Development Commission*] **Oregon**

1 **Commerce and Trade Commission** may appoint the Director of the  
2 [*Oregon Business Development Department*] **Oregon Department of Com-**  
3 **merce and Trade** as their representative and agent in all matters pertaining  
4 to ORS 285A.666 to 285A.732. The director shall ensure that all provisions  
5 of ORS 285A.666 to 285A.732 are complied with and that appropriately  
6 trained personnel are employed pursuant to ORS 285A.070 to properly ad-  
7 minister the fiscal and other portions of ORS 285A.666 to 285A.732.

8 **“SECTION 118.** ORS 285A.708 is amended to read:

9 “285A.708. (1) There is created within the State Treasury a revolving fund  
10 known as the Oregon Port Revolving Fund, separate and distinct from the  
11 General Fund. Interest earned by the Oregon Port Revolving Fund shall be  
12 credited to the fund. Moneys in this fund are continuously appropriated to  
13 the [*Oregon Business Development Department*] **Oregon Department of**  
14 **Commerce and Trade** for the Oregon Infrastructure Finance Authority for  
15 the following purposes:

16 “(a) Administrative expenses of the authority in processing applications  
17 and investigating proposed projects.

18 “(b) Payment of loans to port districts pursuant to ORS 285A.666 to  
19 285A.732.

20 “(c) Administrative expenses of the authority relating to ports. In any one  
21 year, administrative expenses may not be charged under this paragraph in  
22 an amount greater than five percent of the total asset value of the fund.

23 “(2) The fund created by subsection (1) of this section shall consist of:

24 “(a) Repayment of moneys loaned to port districts or others from the  
25 Oregon Port Revolving Fund, including interest on such moneys.

26 “(b) Payment of such moneys as may be appropriated to the fund by the  
27 Legislative Assembly.

28 “(c) Moneys obtained from any interest accrued from such funds.

29 “(3) Outstanding debt on the fund shall not exceed 95 percent of all de-  
30 posits, accounts payable, and other assets of the fund.

1 “(4) No money shall be expended from the Oregon Port Revolving Fund  
2 for any economic development study costing more than \$50,000 unless a work  
3 plan and budget for such study has been provided to appropriate legislative  
4 committees.

5 **“SECTION 119.** ORS 285B.003 is amended to read:

6 “285B.003. As used in ORS 285B.003 to 285B.030:

7 “(1) ‘Administrative costs’ includes, but is not limited to, the direct and  
8 indirect costs incurred by the [*Oregon Business Development Department*]  
9 **Oregon Department of Commerce and Trade** for:

10 “(a) Investigating and processing applications submitted under ORS  
11 285B.018;

12 “(b) Negotiating agreements for the purposes of ORS 285B.003 to 285B.030;

13 “(c) Monitoring the use of moneys provided to project sponsors under  
14 ORS 285B.003 to 285B.030;

15 “(d) Closing a project; and

16 “(e) Providing financial assistance to a project sponsor.

17 “(2) ‘Brownfield’ has the meaning given that term in ORS 285A.185.

18 “(3)(a) ‘Development project’ means a project for the acquisition, im-  
19 provement, construction, demolition or redevelopment of publicly or pri-  
20 vately owned utilities, buildings, land, transportation facilities or other  
21 facilities that assist the economic and community development of a munici-  
22 pality.

23 “(b) ‘Development project’ includes planning project activities that are  
24 necessary or useful to a development project as determined by the depart-  
25 ment.

26 “(4) ‘Eligible project’ means a development project or a planning project.

27 “(5) ‘Environmental action’ has the meaning given that term in ORS  
28 285A.188.

29 “(6) ‘Industrial land’ means land planned and zoned for industrial use  
30 that:



1       “(a) Is suitable for new semiconductor industry uses, or the expansion of  
2 existing semiconductor industry uses, that can provide significant additional  
3 employment in Oregon;

4       “(b) Has land characteristics that provide significant competitive advan-  
5 tages that are difficult or impossible to replicate; and

6       “(c) Has access to transportation and freight infrastructure, including,  
7 but not limited to, rail, port, airport, multimodal freight or transshipment  
8 facilities and other major transportation facilities or routes.

9       “(7) ‘Planning project’ means:

10       “(a) A project related to a potential development project for preliminary  
11 and final land use planning and engineering;

12       “(b) A survey, land investigation or environmental action;

13       “(c) A financial, technical or other feasibility report, study or plan; or

14       “(d) Any activity that the department determines to be necessary or useful  
15 in planning for a potential development project.

16       “(8) ‘Private owner’ means a private business entity or property owner  
17 that has entered into an agreement with a local jurisdiction for the devel-  
18 opment of public infrastructure to serve a private site.

19       “(9) ‘Project sponsor’ means:

20       “(a) A public entity or private owner of industrial land that is investing  
21 in the preparation of the land for a development project by a third party;  
22 or

23       “(b) A public entity that has entered into a development or other agree-  
24 ment with the private owner of industrial land to prepare the land for a de-  
25 velopment project.

26       “(10) ‘Public entity’ means:

27       “(a) A city or county in Oregon;

28       “(b) A port formed under ORS 777.005 to 777.725;

29       “(c) The Port of Portland created by ORS 778.010;

30       “(d) The tribal council of a federally recognized Indian tribe in this state;

1 or

2 “(e) An airport district established under ORS chapter 838.

3 “(11) ‘Semiconductor industry use’ means the use of property to:

4 “(a) Construct, expand, or modernize a facility for the fabrication, as-  
5 sembly, testing, advanced packaging or production of semiconductors, mate-  
6 rials used to manufacture semiconductors or semiconductor manufacturing  
7 equipment; or

8 “(b) Conduct research and development with respect to semiconductors,  
9 materials used to manufacture semiconductors or semiconductor manufac-  
10 turing equipment.

11 **“SECTION 120.** ORS 285B.006 is amended to read:

12 “285B.006. (1)(a) The [*Oregon Business Development Department*] **Oregon**  
13 **Department of Commerce and Trade** may provide financial assistance to  
14 a project sponsor, for allowable costs expended for an industrial land devel-  
15 opment project, from moneys in the Industrial Lands Loan Fund established  
16 under ORS 285B.030, in accordance with this section.

17 “(b) The financial assistance to a project sponsor may be in the form of  
18 a repayable or forgivable loan or the purchase of bonds issued by the project  
19 sponsor.

20 “(c) The department shall determine the amount of the financial assist-  
21 ance on a case-by-case basis.

22 “(2) Financial assistance may be provided only with respect to a devel-  
23 opment project that is:

24 “(a) Directly owned and operated by the project sponsor; or

25 “(b) The subject of a management contract or an operating agreement to  
26 which the project sponsor is a party.

27 “(3)(a) If a development project consists solely of the purchase or acqui-  
28 sition of land, financial assistance may be provided only if the land is:

29 “(A) Identified in the applicable land use or capital plan as necessary for  
30 a potential industrial land development project; or

1       “(B) Zoned solely for industrial use.

2       “(b) Notwithstanding paragraph (a) of this subsection, financial assistance  
3 may not be denied under this subsection solely because the costs of the de-  
4 velopment project include the costs of acquiring off-site property for purposes  
5 that are directly related to the development project, including, but not lim-  
6 ited to, wetland mitigation.

7       “(4) Financial assistance provided to a project sponsor under this section  
8 may not be used for:

9       “(a) The payment of:

10       “(A) A penalty or fine; or

11       “(B) Environmental remediation activities conducted at an industrial land  
12 site that is listed or proposed to be listed as a national priority pursuant to  
13 the Comprehensive Environmental Response, Compensation, and Liability  
14 Act of 1980 (42 U.S.C. 9605), for which the project sponsor, or any party to  
15 the loan agreement entered into pursuant to ORS 285B.021 to which the  
16 project sponsor is a party, is liable under 42 U.S.C. 9607;

17       “(b) Retirement of debt;

18       “(c) Projects that primarily focus on relocating business or economic ac-  
19 tivity from one part of the state to another, except in cases where the busi-  
20 ness or economic activity would otherwise be located outside Oregon; or

21       “(d) Ongoing operations or maintenance expenses of any person.

22       “(5) Contractors and subcontractors on development projects funded under  
23 ORS 285B.003 to 285B.030 must pay for such projects a rate of wage that  
24 meets or exceeds the greater of:

25       “(a) The prevailing rate of wage for workers in each trade or occupation  
26 in each locality as determined by the Commissioner of the Bureau of Labor  
27 and Industries under ORS 279C.815; or

28       “(b) The prevailing rate of wage as determined by the United States Sec-  
29 retary of Labor under the Davis-Bacon Act (40 U.S.C. 3141 et seq.).

30       “(6) The department shall adopt rules to administer and implement the

1 provisions of this section.

2 **“SECTION 121.** ORS 285B.009 is amended to read:

3 “285B.009. (1)(a) The [*Oregon Business Development Department*] **Oregon**  
4 **Department of Commerce and Trade** may make a forgivable loan to a  
5 project sponsor, for allowable costs related to a planning project, from  
6 moneys in the Industrial Lands Loan Fund established under ORS 285B.030,  
7 in accordance with this section.

8 “(b) The department shall determine the amount of a forgivable loan on  
9 a case-by-case basis.

10 “(2) A planning project eligible for a forgivable loan under this section  
11 may:

12 “(a) Be a stand-alone project that is not intended to lead to a development  
13 project.

14 “(b) Be a project that is intended to lead to a development project.

15 “(c) Include planning or investigation for an environmental action on a  
16 brownfield.

17 **“SECTION 122.** ORS 285B.012 is amended to read:

18 “285B.012. The [*Oregon Business Development Department*] **Oregon De-**  
19 **partment of Commerce and Trade** may directly or indirectly expend or  
20 loan moneys in the Industrial Lands Loan Fund established under ORS  
21 285B.030 or extend credit to:

22 “(1) Provide to project sponsors of an industrial land eligible project any  
23 allowable form of financial assistance that the department considers appro-  
24 priate, including the refinancing of temporary project financing.

25 “(2) Purchase goods or services related to an eligible project on behalf  
26 of the project sponsor.

27 “(3)(a) Finance guaranty agreements that are issued to guarantee any  
28 portion of the obligation of a project sponsor to finance an industrial land  
29 development project and that are not sold to the State of Oregon.

30 “(b) Guaranty agreements under this subsection shall be payable solely

1 from moneys in the fund and shall not constitute a debt or obligation of the  
2 State of Oregon.

3 “(c) The department may, on behalf of the state, establish a special ac-  
4 count in the fund and commit to deposit into the special account specified  
5 portions of current and future moneys credited to the fund.

6 “(d) The commitments shall be made by rule of the department and shall  
7 constitute covenants of the state for the benefit of the owners of obligations  
8 guaranteed by the state pursuant to this section.

9 **“SECTION 123.** ORS 285B.015 is amended to read:

10 “285B.015. For purposes of ORS 285B.003 to 285B.030:

11 “(1) The allowable costs of a development project include:

12 “(a) Property acquisition and assembly costs associated with creating  
13 large development parcels, including any easement or right of way directly  
14 related to and necessary for a development project.

15 “(b) Transportation improvements such as access roads, rail spurs and  
16 sidings, marine facility access, airport facilities necessary to provide indus-  
17 trial land access, intersections, turning lanes, signals, sidewalks, curbs,  
18 transit stops and storm drains.

19 “(c) Infrastructure for providing broadband, electric power, natural gas,  
20 water and sewer service.

21 “(d) Natural resource mitigation.

22 “(e) Land grading activities.

23 “(f) Environmental remediation and mitigation activities to address  
24 brownfield issues, in accordance with state and federally approved remedi-  
25 ation plans.

26 “(g) Interest-carrying costs incurred by a project sponsor for amounts  
27 borrowed to develop industrial land and financing costs, including capital-  
28 ized interest.

29 “(h) Direct project management costs.

30 “(i) Costs of consultant services and expenses.

1 “(j) Construction costs and expenses.

2 “(k) Costs of acquiring off-site property for purposes directly related to  
3 a development project, including, but not limited to, wetland mitigation.

4 “(L) Other costs that the [*Oregon Business Development Department*]  
5 **Oregon Department of Commerce and Trade** determines to be necessary  
6 or useful for the project.

7 “(2) The allowable costs of a planning project include:

8 “(a) Necessary planning, engineering, legal and other professional ser-  
9 vices associated with:

10 “(A) The preparation of applications for local, state and federal permits  
11 and related administrative costs.

12 “(B) Carrying out the project and related administrative costs.

13 “(b) Other costs that the department determines to be necessary or useful  
14 for the project.

15 **“SECTION 124.** ORS 285B.018 is amended to read:

16 “285B.018. (1)(a) A project sponsor seeking financial assistance from the  
17 Industrial Lands Loan Fund must submit an application in the manner and  
18 form required by the [*Oregon Business Development Department*] **Oregon**  
19 **Department of Commerce and Trade.**

20 “(b) At a minimum, each application must include:

21 “(A) The name and nature of the project sponsor;

22 “(B) A description of the nature of the project;

23 “(C) The provisions of ORS 285B.003 to 285B.030 under which the project  
24 is eligible for financial assistance;

25 “(D) The proposed activities to be funded;

26 “(E) A description and estimate of the allowable costs to be incurred for  
27 the project; and

28 “(F) All other information and documentation that the department re-  
29 quires.

30 “(2)(a) The department shall review all timely and complete applications

1 and approve or reject each application in accordance with rules adopted by  
2 the department.

3 “(b) The department shall notify each applicant of its decision. The re-  
4 jection of an application may not be appealed.

5 **“SECTION 125.** ORS 285B.021 is amended to read:

6 “285B.021. (1) Upon approval of an application submitted under ORS  
7 285B.018, the [*Oregon Business Development Department*] **Oregon Depart-**  
8 **ment of Commerce and Trade**, notwithstanding any other provision of law  
9 or any restriction on indebtedness contained in a charter, and the project  
10 sponsor of the eligible project to which the application relates may enter  
11 into an agreement for financial assistance based on the application. The de-  
12 partment shall determine the maximum amount of financial assistance based  
13 on a reasonable and prudent expectation of the ability of the project sponsor  
14 to repay the financial assistance.

15 “(2) An agreement entered into pursuant to this section must include:

16 “(a) A provision that the obligation of the state under the agreement is  
17 contingent on the availability of moneys in the Industrial Lands Loan Fund  
18 for the financial assistance agreed upon.

19 “(b) A provision that grants the department a lien on, or a security in-  
20 terest in, collateral to secure repayment of a loan made to, or bonds issued  
21 by, the project sponsor, in a form and amount determined by the department  
22 and specified in the agreement.

23 “(c) Provisions that the department considers necessary to ensure ex-  
24 penditure of the funds for the purposes set forth in the approved application.

25 “(d) Any other provision the department considers necessary or appropri-  
26 ate.

27 “(3) For an eligible project owned by a public entity, a loan agreement  
28 entered into pursuant to this section must be authorized by an ordinance,  
29 resolution or order adopted by the governing body of the project sponsor.

30 “(4) In making a determination to enter into a loan agreement with the

1 project sponsor for an industrial land development project, the department  
2 shall consider the reasonableness of the project sponsor's estimated costs to  
3 prepare the land for industrial use, including, but not limited to, allowable  
4 costs for land preparation.

5 “(5) Financial assistance approved by the department for an eligible  
6 project shall be paid, in accordance with the terms of the agreement entered  
7 into pursuant to this section, from the Industrial Lands Loan Fund estab-  
8 lished under ORS 285B.030.

9 “(6) In assisting project sponsors with eligible projects, and to meet the  
10 goals of ORS 285B.003 to 285B.030, the department and other state agencies  
11 shall cooperate to the greatest extent possible with each other and federal  
12 agencies.

13 **“SECTION 126.** ORS 285B.024 is amended to read:

14 “285B.024. (1) A project sponsor may repay financial assistance provided  
15 for an eligible project under ORS 285B.003 to 285B.030 from any source, in-  
16 cluding, but not limited to:

17 “(a) Revenues generated by the eligible project, including special assess-  
18 ment revenues.

19 “(b) Amounts withheld under ORS 285B.027.

20 “(c) The general fund of the project sponsor.

21 “(2) A plan for repayment to the Industrial Lands Loan Fund of financial  
22 assistance provided for an industrial land development project:

23 “(a) Shall provide for repayment by the project sponsor of the financial  
24 assistance with interest to begin no later than seven years after the date of  
25 project completion or at such other time as the [*Oregon Business Develop-*  
26 *ment Department*] **Oregon Department of Commerce and Trade** may pro-  
27 vide.

28 “(b) Shall provide for such evidence of debt assurance of, and security for,  
29 repayment by the project sponsor as is considered necessary by the depart-  
30 ment.



1 “(c) Shall set forth a schedule of payments and the period of the loan, not  
2 to exceed the useful life of the contracted project or 30 years from the date  
3 of the project completion, whichever is less, and the manner of determining  
4 when loan payments are delinquent.

5 “(d) May provide for a reasonable extension of the time for making any  
6 repayment as set forth under paragraph (c) of this subsection in emergency  
7 or hardship circumstances, if approved by the department.

8 “(e) Shall include repayment of interest that accrues during any period  
9 of delay in repayment authorized under paragraph (a) of this subsection. The  
10 repayment of accrued interest may be in varying amounts.

11 “(f) Shall allow for other forms of payment than principal and interest  
12 payments on loans, in accordance with rules adopted by the department.

13 **“SECTION 127.** ORS 285B.027 is amended to read:

14 “285B.027. (1) If a project sponsor fails to comply with ORS 285B.003 to  
15 285B.030 or an agreement entered into under ORS 285B.021, the [*Oregon*  
16 *Business Development Department*] **Oregon Department of Commerce and**  
17 **Trade** may seek appropriate legal remedies to secure any repayment of ob-  
18 ligations due from the project sponsor to the Industrial Lands Loan Fund.

19 “(2)(a) If a project sponsor defaults on payments of obligations to the fund  
20 under ORS 285B.003 to 285B.030, the State of Oregon may withhold any  
21 amounts otherwise due to the project sponsor to offset against the obli-  
22 gations. The department may waive this right to withhold.

23 “(b) Moneys withheld under paragraph (a) of this subsection shall be de-  
24 posited in the fund and shall be used to repay any account in the fund from  
25 which moneys were expended to pay obligations upon which the project  
26 sponsor defaulted.

27 **“SECTION 128.** ORS 285B.030 is amended to read:

28 “285B.030. (1)(a) The Industrial Lands Loan Fund is established in the  
29 State Treasury, separate and distinct from the General Fund. Interest earned  
30 by the Industrial Lands Loan Fund shall be credited to the fund.

1 “(b) Moneys in the fund are continuously appropriated to the [*Oregon*  
2 *Business Development Department*] **Oregon Department of Commerce and**  
3 **Trade** for the purposes set forth in ORS 285B.003 to 285B.030. In addition,  
4 the department may finance administrative costs incurred by the department  
5 under ORS 285B.003 to 285B.030.

6 “(c) The department may establish other accounts within the fund for the  
7 payment of project costs, reserves, debt service payments, credit enhance-  
8 ment, administrative costs and operation expenses or any other purpose  
9 necessary to carry out ORS 285B.003 to 285B.030.

10 “(2) Moneys in the fund may be invested as provided by ORS 293.701 to  
11 293.857, and the earnings from the investments shall be credited to the ac-  
12 count in the fund designated by the department.

13 “(3) The fund shall consist of moneys credited to the fund, including:

14 “(a) Moneys appropriated to the fund by the Legislative Assembly;

15 “(b) Moneys transferred to the fund by the department;

16 “(c) Earnings on moneys in the fund;

17 “(d) Repayment of financial assistance, including interest, under ORS  
18 285B.024 and 285B.027;

19 “(e) Moneys received from the federal, state or local governments; and

20 “(f) Moneys, or the proceeds of assets, from any other public or private  
21 source, including, but not limited to, grants and gifts.

22 “(4)(a) The department may commit moneys in the fund, or reserve future  
23 income of the fund, for expenditure in future years in accordance with this  
24 section.

25 “(b) The department may commit moneys or reserve future income under  
26 this subsection only after:

27 “(A) Allowing for contingencies; and

28 “(B) Determining that there will be sufficient unobligated net moneys in  
29 the fund to make the future payments, consistent with the requirements of  
30 this section.

1       **“SECTION 128a.** ORS 285B.050 is amended to read:

2       “285B.050. As used in ORS 285B.050 to 285B.098, unless the context re-  
3       quires otherwise:

4       “(1) ‘Applicant’ means any county, municipality, person or any combina-  
5       tion of counties, municipalities or persons applying for a loan from the  
6       [*Oregon Business Development Fund*] **Oregon Commerce and Trade Fund**  
7       under ORS 285B.050 to 285B.098.

8       “(2)(a) ‘Business development project’ means the acquisition, engineering,  
9       improvement, rehabilitation, construction, operation or maintenance of any  
10      property, real or personal, including working capital expenses, that is used  
11      or is suitable for use by an economic enterprise and that will result in, or  
12      will aid, promote or facilitate, development of traded sector activities.

13      “(b) ‘Business development project’ includes, but is not limited to, con-  
14      vention facilities, destination facilities and office buildings, including cor-  
15      porate headquarters, and is a project that:

16      “(A) Is located in Oregon and in the traded sector or that supports traded  
17      sector activities; or

18      “(B) If engaged in by a nonprofit organization:

19      “(i) Will not compete with local for-profit businesses; and

20      “(ii) Need not be in the traded sector nor support traded sector activities.

21      “(c) ‘Business development project’ does not include shopping centers,  
22      food service facilities or activities that are engaged in by retail and service  
23      businesses that are not in the traded sector unless otherwise allowed under  
24      ORS 285B.059 (5).

25      “(3) ‘Collateral’ has the meaning given that term in ORS 79.0102 for  
26      property subject to a security interest.

27      “(4) ‘County’ means any county or federally recognized Oregon Indian  
28      tribe.

29      “(5) ‘Local development group’ means any public or private corporation  
30      that has as one of its primary purposes, as stated in its articles of incorpo-

1 ration, charter or bylaws, the promotion of economic development in any  
2 part of the State of Oregon.

3 “(6) ‘Municipality’ means any city, municipal corporation or quasi-  
4 municipal corporation.

5 “(7) ‘Person’ means any individual, association of individuals, joint ven-  
6 ture, partnership, limited liability company or corporation.

7 “(8) ‘Traded sector’ has the meaning given that term in ORS 285B.280.

8 “(9) ‘Traded sector activities’ means activities that produce goods or ser-  
9 vices for the traded sector.

10 **“SECTION 129.** ORS 285B.053 is amended to read:

11 “285B.053. (1) Any county, municipality, person or any combination of  
12 counties, municipalities and persons may file with the [*Oregon Business De-*  
13 *velopment Department*] **Oregon Department of Commerce and Trade** an  
14 application to borrow money from the [*Oregon Business Development Fund*]  
15 **Oregon Commerce and Trade Fund** for a business development project as  
16 provided in ORS 285B.050 to 285B.098. The application shall be filed in such  
17 a manner and contain or be accompanied by such information as the de-  
18 partment may prescribe.

19 “(2) Any applicant receiving a loan from the fund shall report to the de-  
20 partment the estimated number of jobs affected by the business development  
21 project financed under ORS 285B.050 to 285B.098.

22 **“SECTION 130.** ORS 285B.056 is amended to read:

23 “285B.056. The [*Oregon Business Development Department*] **Oregon De-**  
24 **partment of Commerce and Trade** shall charge fees and establish rules to  
25 underwrite loans from the [*Oregon Business Development Fund*] **Oregon**  
26 **Commerce and Trade Fund.**

27 **“SECTION 131.** ORS 285B.059 is amended to read:

28 “285B.059. (1) The [*Oregon Business Development Commission*] **Oregon**  
29 **Commerce and Trade Commission** may approve a business development  
30 project proposed in an application filed under ORS 285B.050 to 285B.098 if,

1 after investigation, the commission finds that:

2 “(a) The proposed business development project is feasible and a reason-  
3 able risk from practical and economic standpoints, and that the loan has  
4 reasonable prospect of repayment.

5 “(b) The applicant can provide good and sufficient collateral for the loan.

6 “(c) Moneys in the [*Oregon Business Development Fund*] **Oregon Com-**  
7 **merce and Trade Fund** are or will be available for the proposed business  
8 development project.

9 “(d) There is a need for the proposed business development project.

10 “(e) The applicant has not received or entered into a contract or contracts  
11 exceeding \$2 million with the commission, under authority of ORS 285B.050  
12 to 285B.098, for the previous 365 days.

13 “(2)(a) Except as provided in paragraph (b) of this subsection, the total  
14 amount of moneys loaned from the fund for a business development project  
15 may not exceed 50 percent of the cost of the project.

16 “(b) The total amount of moneys loaned from the fund for a business de-  
17 velopment project may exceed 50 percent of the cost of the project if two or  
18 more lenders have denied requests from the applicant to commit to partic-  
19 ipate in the financing of the project and the applicant has no other available  
20 financing.

21 “(3)(a) Except as provided in paragraph (b) of this subsection, moneys may  
22 not be loaned from the fund for a business development project unless there  
23 exists a commitment from a commercial or private lender, or a local devel-  
24 opment group, to participate in the financing of the project.

25 “(b) Moneys may be loaned from the fund for a business development  
26 project without a commitment from a commercial or private lender, or a lo-  
27 cal development group, to participate in the financing of the project if:

28 “(A) The applicant is a county or municipality;

29 “(B) There are payments other than the scheduled principal and interest  
30 payments; or

1 “(C) Two or more lenders have denied requests from the applicant to  
2 commit to participate in the financing of the project and the applicant has  
3 no other available financing.

4 “(4) To encourage private sector and local development group partic-  
5 ipation in the financing of business development projects, the commission  
6 may subordinate the security position of the fund to that of other lenders.

7 “(5) In each fiscal year of a biennium, 15 percent of all moneys available  
8 for lending from the fund is reserved for loans to emerging small business  
9 enterprises as defined by the [*Oregon Business Development Department*]  
10 **Oregon Department of Commerce and Trade** by rule, which are located  
11 in or draw their workforces from within rural or distressed areas as deter-  
12 mined by the [*Oregon Business Development Department*] **Oregon Depart-**  
13 **ment of Commerce and Trade** in cooperation with the Employment  
14 Department of this state. If the [*Oregon Business Development Department*]  
15 **Oregon Department of Commerce and Trade** was unable to obtain a  
16 sufficient number of approvable applications to meet the requirements of this  
17 subsection in the previous fiscal year, it may, in the current fiscal year and  
18 notwithstanding the limitations imposed by ORS 285B.050 (2), make loans, in  
19 an amount that does not exceed the 15 percent reserved for the prior fiscal  
20 year less the amount of loans made to emerging small business enterprises  
21 located in rural or distressed areas during the previous fiscal year, to service  
22 and retail businesses operated by small business enterprises that are located  
23 in or draw their workforces from within rural or distressed areas as deter-  
24 mined by the [*Oregon Business Development Department*] **Oregon Depart-**  
25 **ment of Commerce and Trade** in cooperation with the Employment  
26 Department of this state. Service and retail businesses operated by small  
27 business enterprises under this section need not be engaged in traded sector  
28 activities. As used in this subsection, ‘rural area’ and ‘distressed area’ have  
29 the meanings given those terms in ORS 285A.010.

30 **SECTION 132.** ORS 285B.062 is amended to read:

1 “285B.062. If the [*Oregon Business Development Commission*] **Oregon**  
2 **Commerce and Trade Commission** approves a business development  
3 project, the commission, on behalf of the state, and the applicant may enter  
4 into a loan contract of not more than \$2 million, secured by good and suffi-  
5 cient collateral, which shall set forth, among other matters:

6 “(1) A plan for repayment by the applicant to the [*Oregon Business De-*  
7 *velopment Fund*] **Oregon Commerce and Trade Fund** of moneys borrowed  
8 from the fund used for the business development project, with interest  
9 charged on those moneys at the rate of not less than one percentage point  
10 more than the prevailing interest rate on United States Treasury bills, notes  
11 or bonds of a comparable term, as determined by the commission. The re-  
12 payment plan, among other matters:

13 “(a) Shall provide for commencement of repayment by the applicant of the  
14 moneys and interest no later than one year after the date of the loan con-  
15 tract or at such other time as the commission may provide.

16 “(b) May provide for reasonable extension of the time for making any  
17 repayment in emergency or hardship circumstances if approved by the com-  
18 mission.

19 “(c) Shall provide for such evidence of debt assurance of, and security for,  
20 repayment by the applicant as is considered necessary by the commission.

21 “(d) Shall set forth a schedule of payments and the period of the loan,  
22 not to exceed the useful life of the contracted project or 25 years from the  
23 date of the contract, whichever is less, and the manner of determining when  
24 loan payments are delinquent. The payment schedule shall include repayment  
25 of interest that accrues during any period of delay in repayment authorized  
26 by paragraph (a) of this subsection, and the payment schedule may require  
27 payments of varying amounts for collection of accrued interest.

28 “(e) Shall set forth a procedure for formal declaration of default of pay-  
29 ment by the commission, including formal notification of all relevant federal,  
30 state and local agencies and a procedure for notification of all relevant fed-

1 eral, state and local agencies that declaration of default has been rescinded  
2 when appropriate.

3 “(f) Shall allow for other forms of payment than principal and interest  
4 payments on loans, to be outlined in administrative rules.

5 “(2) Provisions satisfactory to the commission for field engineering and  
6 inspection, the commission to be the final judge of completion of the con-  
7 tract.

8 “(3) That the liability of the state under the contract is contingent upon  
9 the availability of moneys in the fund for use in the business development  
10 project.

11 “(4) Such further provisions as the commission considers necessary to  
12 ensure expenditure of the funds for the purposes set forth in the approved  
13 application.

14 “**SECTION 133.** ORS 285B.063 is amended to read:

15 “285B.063. (1) Beginning with the 2023 calendar year, the [*Oregon Busi-*  
16 *ness Development Department*] **Oregon Department of Commerce and**  
17 **Trade** shall annually adjust the maximum contract amounts specified in ORS  
18 285B.059 (1)(e) and 285B.062 by multiplying each amount by the percentage  
19 change in the monthly averaged Consumer Price Index for All Urban Con-  
20 sumers, West Region (All Items), as published by the Bureau of Labor Sta-  
21 tistics of the United States Department of Labor, for the 12 consecutive  
22 months ending on the immediately preceding December 31 compared to the  
23 monthly averaged Consumer Price Index for All Urban Consumers, West  
24 Region (All Items), for the 12 consecutive months ending on December 31,  
25 2021.

26 “(2) Notwithstanding subsection (1) of this section, the adjusted maximum  
27 contract amounts specified in ORS 285B.059 (1)(e) and 285B.062 may not be  
28 less than \$2 million.

29 “**SECTION 134.** ORS 285B.065 is amended to read:

30 “285B.065. The [*Oregon Business Development Department*] **Oregon De-**



1 **partment of Commerce and Trade** may make loans in distressed areas, as  
2 defined by the department, without regard to the requirements for security  
3 and collateral under ORS 285B.059 and 285B.062 that are otherwise applica-  
4 ble.

5 **“SECTION 135.** ORS 285B.068 is amended to read:

6 “285B.068. (1) If the [*Oregon Business Development Commission*] **Oregon**  
7 **Commerce and Trade Commission** approves a loan for a business devel-  
8 opment project and the applicant has received all necessary permits required  
9 by federal, state and local agencies, the commission shall pay moneys for the  
10 project from the [*Oregon Business Development Fund*] **Oregon Commerce**  
11 **and Trade Fund**, in accordance with the terms of the loan contract as pre-  
12 scribed by the commission.

13 “(2) Immediately upon receiving the loan proceeds, the applicant shall pay  
14 to the commission one and one-half percent of the principal amount of the  
15 loan, to be paid back to the [*Oregon Business Development Fund*] **Oregon**  
16 **Commerce and Trade Fund**. A maximum of three percent of the principal  
17 amount of the loan may be paid from the fund to local development groups  
18 for the purposes set forth in ORS 285B.092 (1)(a).

19 **“SECTION 136.** ORS 285B.080 is amended to read:

20 “285B.080. (1) The [*Oregon Business Development Commission*] **Oregon**  
21 **Commerce and Trade Commission** may appoint the Director of the  
22 [*Oregon Business Development Department*] **Oregon Department of Com-**  
23 **merce and Trade** as the commission’s representative and agent in all mat-  
24 ters pertaining to ORS 285B.050 to 285B.098.

25 “(2) The director shall ensure that all provisions of ORS 285B.050 to  
26 285B.098 are complied with and that appropriately trained personnel are  
27 employed to properly administer the fiscal and other portions of ORS  
28 285B.050 to 285B.098.

29 “(3) The director shall have the authority in the director’s sole discretion  
30 to approve loans for business development projects in the amount of \$250,000

1 or less and to disburse funds for such projects.

2 **“SECTION 137.** ORS 285B.081 is amended to read:

3 “285B.081. The [*Oregon Business Development Department*] **Oregon De-**  
4 **partment of Commerce and Trade** shall develop rules governing repay-  
5 ment of loans to the [*Oregon Business Development Fund*] **Oregon**  
6 **Commerce and Trade Fund** and collection of moneys owed the fund. The  
7 department may take any action permitted by statute or rule that the de-  
8 partment deems necessary for repayment of the loan.

9 **“SECTION 138.** ORS 285B.086 is amended to read:

10 “285B.086. (1) The [*Oregon Business Development Commission*] **Oregon**  
11 **Commerce and Trade Commission** may authorize funds from the [*Oregon*  
12 *Business Development Fund*] **Oregon Commerce and Trade Fund** to be  
13 used in appropriate joint governmental participation projects or as match  
14 money with any municipally, county, state or federally funded business de-  
15 velopment project authorized within a county or city, subject to the stipu-  
16 lations of ORS 285B.050 to 285B.098.

17 “(2) Any application for a loan under this section shall be in such form  
18 as the commission prescribes and shall furnish such proof of federal, state  
19 or local approval as appropriate for funding of the business development  
20 project.

21 “(3) The total amount of moneys loaned from the fund for federal, state  
22 or local joint business development project purposes shall not exceed \$1  
23 million per project.

24 **“SECTION 139.** ORS 285B.089 is amended to read:

25 “285B.089. If the [*Oregon Business Development Commission*] **Oregon**  
26 **Commerce and Trade Commission** approves an application for the loan  
27 of moneys authorized by ORS 285B.086, the commission shall enter into a  
28 loan contract, secured by good and sufficient collateral as determined by the  
29 commission, with the applicant that provides, among other matters:

30 “(1) That the loan bear interest at the same rate of interest as provided

1 in ORS 285B.062 (1).

2 “(2) That the contract shall set forth a schedule of payments including  
3 interest and principal for the period of the loan, which shall not exceed the  
4 usable life of the contracted project or 25 years from the date of the contract,  
5 whichever is less, and shall set forth the manner of determining when loan  
6 payments are delinquent. The same schedule shall include repayment of in-  
7 terest which accrues during any period of delay in repayment authorized by  
8 ORS 285B.050 to 285B.098, and the repayment schedule may require payments  
9 of varying amounts for collection of that accrued interest. However, the  
10 commission may make provisions for extensions of time in making repayment  
11 if the delinquencies are caused by acts of God or other conditions beyond the  
12 control of the applicant and the security will not be impaired thereby.

13 “(3) Such provisions as the commission considers necessary to insure ex-  
14 penditure of the moneys loaned for the purposes provided in ORS 285B.086,  
15 including all provisions of ORS 285B.059.

16 “**SECTION 140.** ORS 285B.092 is amended to read:

17 “285B.092. (1) There is created within the State Treasury a revolving fund  
18 known as the [*Oregon Business Development Fund*] **Oregon Commerce and**  
19 **Trade Fund**, separate and distinct from the General Fund. Interest earned  
20 by the [*Oregon Business Development Fund*] **Oregon Commerce and Trade**  
21 **Fund** shall be credited to the fund. Moneys in the fund are continuously  
22 appropriated to the [*Oregon Business Development Commission*] **Oregon**  
23 **Commerce and Trade Commission** for the following purposes:

24 “(a) Administrative expenses of the commission in marketing public  
25 business finance, processing applications, investigating proposed business  
26 development projects and servicing outstanding loans. In any one year, ad-  
27 ministrative expenses charged under this paragraph may not be greater than  
28 the total revenues received in that year from fees provided for in subsection  
29 (2)(a) of this section, plus four percent of the total asset value of the fund.

30 “(b) Payment of loans to applicants under ORS 285B.050 to 285B.098.

1 “(c) Transfer of moneys to the Small Business Expansion Loan Fund es-  
2 tablished under ORS 285B.133 in accordance with ORS 285B.133 (3).

3 “(d) Actions the commission deems necessary to obtain repayment of  
4 outstanding loans.

5 “(e) Purchase or buyout of superior or prior liens or mortgages on or a  
6 security interest in any business development project financed in part by a  
7 loan from the [*Oregon Business Development Fund*] **Oregon Commerce and**  
8 **Trade Fund**, when the commission determines:

9 “(A) A loan from the fund is in default and is in liquidation or at risk  
10 of being forced into liquidation by another creditor to the project; and

11 “(B) The action is necessary to maintain or enhance the value of the  
12 commission’s collateral in the project.

13 “(2) The fund created by subsection (1) of this section shall consist of:

14 “(a) Fees as determined by the commission.

15 “(b) Repayment of moneys loaned to counties, municipalities or persons  
16 from the fund, including interest on those moneys or including other re-  
17 ceipts.

18 “(c) Payment of such moneys as may be appropriated to the fund by the  
19 Legislative Assembly.

20 “(d) Moneys obtained from any interest accrued from funds.

21 “(e) Moneys from any grant made to the fund by any federal agency.

22 “(3) All repayments, interest and other receipts from outstanding indebt-  
23 edness or any other source shall be retained and accumulated in the fund  
24 and shall be used for the purposes of the fund.

25 “(4) Notwithstanding any other provision of law, if at any time there are  
26 insufficient funds in established business finance programs, the commission  
27 may direct the transfer of unobligated funds from the [*Oregon Business De-*  
28 *velopment Fund*] **Oregon Commerce and Trade Fund**.

29 **“SECTION 141.** ORS 285B.093 is amended to read:

30 “285B.093. (1) The [*Oregon Business Development Commission*] **Oregon**

1 **Commerce and Trade Commission** may establish the Oregon Targeted  
2 Development Account as an account within the [*Oregon Business Develop-*  
3 *ment Fund*] **Oregon Commerce and Trade Fund**.

4 “(2) The purpose of the Oregon Targeted Development Account is to pro-  
5 mote cooperation and foster partnership among the commission, the [*Oregon*  
6 *Business Development Department*] **Oregon Department of Commerce and**  
7 **Trade** and financial institutions in Oregon to encourage investment in dis-  
8 tressed areas, as defined by the department.

9 “(3) The department may make loans from the Oregon Targeted Develop-  
10 ment Account in distressed areas without regard to the minimum rate of  
11 interest that is otherwise applicable under ORS 285B.062. The department  
12 may make loans in distressed areas at an interest rate that is determined by  
13 the commission.

14 **“SECTION 142.** ORS 285B.109 is amended to read:

15 “285B.109. As used in ORS 285B.109 to 285B.119, unless the context re-  
16 quires otherwise:

17 “(1) ‘Brownfield’ or ‘brownfields’ has the meaning given that term in ORS  
18 285A.185.

19 “(2) ‘Capital access program’ means the program established by ORS  
20 285B.109 to 285B.119.

21 “(3) ‘Environmental action’ has the meaning given that term in ORS  
22 285A.188.

23 “(4) ‘Financial institution’ means a financial institution, as defined in  
24 ORS 706.008.

25 “(5) ‘Loss reserve account’ means an account in the State Treasury or any  
26 financial institution that is established and maintained by the [*Oregon*  
27 *Business Development Department*] **Oregon Department of Commerce and**  
28 **Trade** for the benefit of a financial institution participating in the capital  
29 access program.

30 “(6) ‘Qualified business’ means any person, conducting business for profit

1 or not for profit, that is authorized to conduct business in the State of  
2 Oregon.

3 “(7) ‘Qualified loan’ means a loan or portion of a loan made by a financial  
4 institution to a qualified business for any business activity that has its pri-  
5 mary economic effect in Oregon. The term does not include:

6 “(a) A loan for the purchase of owner-occupied residential housing or for  
7 the construction, improvement or purchase of residential housing owned or  
8 to be owned by the borrower.

9 “(b) A loan for purchase of real property that is not used for the business  
10 operations of the borrower.

11 “(c) A loan for the refinancing of an existing loan when and to the extent  
12 that the outstanding balance is not increased.

13 **“SECTION 143.** ORS 285B.113 is amended to read:

14 “285B.113. (1) The [*Oregon Business Development Department*] **Oregon**  
15 **Department of Commerce and Trade** may contract with any financial in-  
16 stitution for the purpose of allowing the financial institution to participate  
17 in the capital access program established by ORS 285B.109 to 285B.119.

18 “(2) A contract between the department and a financial institution under  
19 this section shall provide:

20 “(a) For the creation of a loss reserve account by the department for the  
21 benefit of the financial institution.

22 “(b) That the financial institution, qualified business and the department  
23 will deposit moneys to the credit of the institution’s loss reserve account  
24 when the financial institution makes a qualified loan to a qualified business.

25 “(c) That the department will pay moneys in the loss reserve account, not  
26 exceeding an amount equal to the total amount credited to the loss reserve  
27 account, to the financial institution to reimburse the institution for any fi-  
28 nancial loss incurred as a result of any qualified loan made under the capital  
29 access program established by ORS 285B.109 to 285B.119.

30 “(d) That the liability of the State of Oregon and the department to the

1 financial institution under the contract is limited to the amount of money  
2 credited to the loss reserve account of the institution.

3 “(e) That the financial institution shall provide such information as the  
4 department may require, including financial information that is identifiable  
5 with, or identifiable from, the financial records of a particular customer who  
6 is the recipient of a qualified loan.

7 “(f) For such other terms as the department may require.

8 “(3) A financial institution is not subject to ORS 192.586 (1) when the fi-  
9 nancial institution provides information to the department as required by  
10 subsection (2)(e) of this section.

11 **“SECTION 144.** ORS 285B.115 is amended to read:

12 “285B.115. (1) The [*Oregon Business Development Department*] **Oregon**  
13 **Department of Commerce and Trade** shall establish a loss reserve account  
14 for each financial institution with which the department makes a contract  
15 under ORS 285B.113.

16 “(2) The loss reserve account for a financial institution shall consist of  
17 moneys paid as fees by borrowers and the financial institution under ORS  
18 285B.117 and moneys transferred to the account from the Capital Access  
19 Fund under ORS 285B.117.

20 “(3) Notwithstanding ORS chapter 293 or 295, the department may estab-  
21 lish and maintain loss reserve accounts with any financial institution under  
22 such policies as the department may adopt. The department may establish  
23 rules to encourage financial institutions to participate in the capital access  
24 program.

25 “(4) All moneys in a loss reserve account established under ORS 285B.109  
26 to 285B.119 are the property of the State of Oregon.

27 **“SECTION 145.** ORS 285B.117 is amended to read:

28 “285B.117. (1) When a financial institution participates in the capital ac-  
29 cess program, if the financial institution decides to enroll a qualified loan  
30 under the capital access program in order to obtain the protection against

1 loss provided by its loss reserve account, the financial institution shall no-  
2 tify the [*Oregon Business Development Department*] **Oregon Department of**  
3 **Commerce and Trade** of the loan within 30 days after the loan is made.  
4 The notification shall be in writing on a form prescribed by the department.

5 “(2) When making a qualified loan that will be enrolled under the capital  
6 access program, the financial institution shall require the qualified business  
7 to which the loan is made to pay a fee of not less than one and one-half  
8 percent of the principal amount of the loan but not more than three and  
9 one-half percent of such principal amount. The financial institution shall  
10 also pay a fee in an amount equal to the fee paid by the borrower. The fi-  
11 nancial institution shall deliver the fees collected under this subsection to  
12 the department for deposit in the loss reserve account for the institution.

13 “(3) When depositing fees collected under subsection (2) of this section to  
14 the credit of the loss reserve account for a financial institution, the depart-  
15 ment shall transfer an amount that is not less than the total amount of the  
16 fees paid by the borrower and the financial institution from the Capital Ac-  
17 cess Fund to the loss reserve account for the institution.

18 “(4) Notwithstanding subsections (1) to (3) of this section, the department  
19 may adopt rules providing that, for qualified loans to businesses in distressed  
20 areas or for use in an environmental action on brownfields, the department  
21 may transfer an amount that is not less than 150 percent of the total amount  
22 of the fees paid by the borrower and the financial institution from the Cap-  
23 ital Access Fund to the loss reserve account of the institution. The total  
24 amount transferred under this section may not exceed 40 percent of the  
25 moneys appropriated to the fund. For purposes of this subsection, ‘distressed  
26 areas’ shall have the meaning given that term by the department by rule.

27 **“SECTION 146.** ORS 285B.118 is amended to read:

28 “285B.118. (1) The [*Oregon Business Development Department*] **Oregon**  
29 **Department of Commerce and Trade** shall establish procedures under  
30 which financial institutions participating in the capital access program es-



1 tablished by ORS 285B.109 to 285B.119 may submit claims for reimbursement  
2 for losses incurred as a result of qualified loan defaults.

3 “(2) Costs for which a financial institution may be reimbursed from its  
4 loss reserve account include loan principal, accrued interest on the principal,  
5 actual and necessary costs of seeking recovery of the principal amount and  
6 interest thereon and any other related costs.

7 “(3) A financial institution may seek reimbursement of loan losses prior  
8 to the liquidation of collateral from defaulted loans. The financial institution  
9 shall repay its loss reserve account for any moneys received as reimburse-  
10 ment under this section if the financial institution recovers moneys from the  
11 borrower or from the liquidation of collateral for the defaulted loan.

12 **“SECTION 147.** ORS 285B.119 is amended to read:

13 “285B.119. (1) There is established in the State Treasury, separate and  
14 distinct from the General Fund, the Capital Access Fund. All moneys in the  
15 fund are continuously appropriated to the [*Oregon Business Development*  
16 *Department*] **Oregon Department of Commerce and Trade** for the purpose  
17 of making payments to loss reserve accounts established under ORS 285B.109  
18 to 285B.119.

19 “(2) Moneys in the Capital Access Fund, with the approval of the State  
20 Treasurer, may be invested as provided by ORS 293.701 to 293.857, and the  
21 earnings from such investment shall be credited to the Capital Access Fund.

22 “(3) The Capital Access Fund shall consist of:

23 “(a) Moneys appropriated to the fund by the Legislative Assembly.

24 “(b) Interest earned on moneys in the fund.

25 “(c) Moneys returned to the fund from loss reserve accounts or other  
26 sources.

27 “(4) If the department deems retrieval of interest earned on loss reserve  
28 accounts appropriate, the department may transfer into the fund up to 50  
29 percent of the interest earned on moneys in loss reserve accounts.

30 “(5) The department may charge administrative costs to the fund to pay

1 for actual and necessary administrative expenses incurred by the department  
2 in administering the fund and establishing and maintaining loss reserve ac-  
3 counts under ORS 285B.109 to 285B.119.

4 **“SECTION 148.** ORS 285B.130 is amended to read:

5 “285B.130. (1) Subject to the requirements and conditions set forth in  
6 subsection (3) of this section, any person with 50 or fewer employees may  
7 submit to the [*Oregon Business Development Department*] **Oregon Depart-**  
8 **ment of Commerce and Trade** an application to borrow moneys from the  
9 Small Business Expansion Loan Fund established under ORS 285B.133 for the  
10 purpose of obtaining early stage growth capital when adequate traditional  
11 commercial or private financing is not readily available to the applicant. The  
12 application must be submitted in the manner, and contain or be accompanied  
13 by the information, prescribed by the department by rule.

14 “(2) The department may charge fees in connection with an application  
15 submitted under this section and, if the application is approved, with pro-  
16 cessing and monitoring a loan agreement entered into pursuant to subsection  
17 (4) of this section. Fees collected must be deposited in the Small Business  
18 Expansion Loan Fund and may be used to pay the administrative costs and  
19 expenses of the department in administering the fund and implementing the  
20 provisions of this section and ORS 285B.133.

21 “(3) Upon receipt of an application submitted under this section, the de-  
22 partment shall determine whether the applicant is eligible to receive a loan  
23 from the Small Business Expansion Loan Fund established under ORS  
24 285B.133. The department may approve an application if, after investigation,  
25 the department finds that:

26 “(a) The applicant operates a business with 50 or fewer employees that  
27 is in the traded sector, as defined in ORS 285A.010, or that primarily sup-  
28 ports traded sector industries;

29 “(b) The loan has a reasonable prospect of repayment;

30 “(c) The applicant demonstrates a reasonable potential for high growth

1 that may support economic diversification of the state or the region in which  
2 the business is conducted, or increase employment opportunities or retain  
3 existing jobs in the state or region;

4 “(d) The applicant demonstrates readiness for market; and

5 “(e) There is or will be a sufficient amount of moneys in the Small Busi-  
6 ness Expansion Loan Fund to make a loan to the applicant.

7 “(4) If the department approves an application under this section, the de-  
8 partment and the applicant shall enter into a loan agreement that provides,  
9 at a minimum, the following:

10 “(a) That loan proceeds may be used only to support acquisition of busi-  
11 ness assets or to pay for business operating expenses. Loan proceeds may not  
12 be used to refinance personal debt or debt not used for business purposes.

13 “(b) A plan for repayment of moneys borrowed from the Small Business  
14 Expansion Loan Fund. The department may specify the terms of repayment,  
15 singly or in any combination, by royalties, on the basis of a percentage of  
16 business revenues, by installment payments of principal, installment pay-  
17 ments of interest or installment payments of both principal and interest, or  
18 otherwise. The plan must set forth a schedule of payments, the term of the  
19 loan and the manner of determining when loan payments are delinquent. The  
20 department, in its sole discretion, shall establish the terms of repayment,  
21 which must be structured so that the repayment plan and pricing:

22 “(A) Based on the total repayment costs, do not directly compete with  
23 traditional commercial lending services;

24 “(B) Are commensurate with the risk taken by the department when  
25 making a loan to the applicant; and

26 “(C) To the greatest extent possible, are anticipated to cover operational  
27 expenses and losses that the department may incur in the administration of  
28 the loan program.

29 “(c) That the loan must be secured by sufficient collateral and security.  
30 The department may specify by rule the types of collateral and security that

1 are acceptable to secure repayment of the loan, including but not limited to  
2 personal guarantees, business or corporate guarantees and pledges of busi-  
3 ness and personal assets.

4 “(d) That the liability of the state under the agreement may not exceed  
5 the availability of moneys in the Small Business Expansion Loan Fund.

6 “(5)(a) The Director of the [*Oregon Business Development Department*]  
7 **Oregon Department of Commerce and Trade**, or the director’s designee,  
8 may approve loans of up to \$250,000 each. Loans greater than \$250,000 each  
9 may be approved by the [*Oregon Business Development Commission*] **Oregon**  
10 **Commerce and Trade Commission**, or the commission’s designee. No loan  
11 may be made for an amount greater than \$2 million.

12 “(b) Immediately upon receiving loan proceeds, a successful applicant  
13 shall pay to the department an amount equal to one and one-half percent of  
14 the principal amount of the loan, for deposit in the Small Business Expans-  
15 sion Loan Fund.

16 “(6) Up to 20 percent of all moneys available for lending in the Small  
17 Business Expansion Loan Fund on July 1 of each fiscal year may be reserved  
18 for loans to applicants who are individuals considered to have low to mod-  
19 erate household income and low to moderate personal net worth, as defined  
20 by the department by rule, and who operate businesses:

21 “(a) Controlled and with at least 51 percent ownership interest in the  
22 business by minorities, women or honorably discharged veterans; or

23 “(b) That are located outside of the Portland, Oregon, Metropolitan Sta-  
24 tistical Area.

25 “(7)(a) The department shall adopt rules to implement the provisions of  
26 this section. Before adopting rules under this paragraph, the department  
27 shall consult with a representative from an association representing banks  
28 in this state.

29 “(b) The department may adopt rules that establish preferences in making  
30 loans under this section to individuals or businesses owned by individuals

1 in underserved communities and in rural communities that may have insuf-  
2 ficient access to diverse types of capital and traditional commercial or pri-  
3 vate financing.

4 “(c) The department may adopt rules establishing a loan amount limit of  
5 less than \$2 million for purposes of subsection (5) of this section.

6 **“SECTION 149.** ORS 285B.133 is amended to read:

7 “285B.133. (1) The Small Business Expansion Loan Fund is established in  
8 the State Treasury, separate and distinct from the General Fund. Interest  
9 earned by the Small Business Expansion Loan Fund shall be credited to the  
10 fund. All moneys in the fund are continuously appropriated to the [*Oregon*  
11 *Business Development Department*] **Oregon Department of Commerce and**  
12 **Trade** for the following purposes:

13 “(a) Payment of loans to applicants approved under ORS 285B.130.

14 “(b) Payments to local development groups for the purposes of this sec-  
15 tion. A payment under this paragraph may not exceed one percent of the  
16 principal loan amount from which payment is required under ORS 285B.130  
17 (5)(b).

18 “(c) Administrative costs of the department incurred in marketing the  
19 loan program, processing loan applications, investigating eligibility of ap-  
20 plicants and servicing outstanding loans.

21 “(2) The Small Business Expansion Loan Fund consists of:

22 “(a) Fees collected by the department under ORS 285B.130;

23 “(b) Payments required under ORS 285B.130 (5)(b);

24 “(c) Moneys repaid by recipients of loans from the fund, including interest  
25 on those moneys and other receipts;

26 “(d) Moneys appropriated to the fund by the Legislative Assembly;

27 “(e) Moneys transferred to the fund by the [*Oregon Business Development*  
28 *Commission*] **Oregon Commerce and Trade Commission** from the [*Oregon*  
29 *Business Development Fund*] **Oregon Commerce and Trade Fund** pursuant  
30 to subsection (3) of this section;

1 “(f) Income earned on moneys in the Small Business Expansion Loan  
2 Fund;

3 “(g) Moneys transferred to the fund from the federal government, other  
4 state agencies or local governments; and

5 “(h) Any gifts or donations made to the State of Oregon for deposit in the  
6 fund.

7 “(3) The [*Oregon Business Development Commission*] **Oregon Commerce**  
8 **and Trade Commission** may transfer moneys credited to the [*Oregon Busi-*  
9 *ness Development Fund*] **Oregon Commerce and Trade Fund** created under  
10 ORS 285B.092 to the Small Business Expansion Loan Fund established under  
11 this section when the commission determines that the transfer is reasonable  
12 and financially appropriate and would not impair the making of loans under  
13 ORS 285B.050 to 285B.098. Moneys transferred under this subsection shall  
14 be used by the [*Oregon Business Development Department*] **Oregon Depart-**  
15 **ment of Commerce and Trade** for the purpose of making loans under ORS  
16 285B.130.

17 “(4) Notwithstanding any other provision of law, if at any time there are  
18 insufficient funds in established business finance programs, the department  
19 may direct the transfer of unobligated funds from the Small Business Ex-  
20 pansion Loan Fund.

21 **“SECTION 150.** ORS 285B.168 is amended to read:

22 “285B.168. (1) The [*Oregon Business Development Department*] **Oregon**  
23 **Department of Commerce and Trade** may make grants available to a  
24 community college district, a community college service district or, with the  
25 concurrence of the executive director of the Higher Education Coordinating  
26 Commission, a public university listed in ORS 352.002 to assist in the for-  
27 mation, improvement and operation of small business development centers.  
28 If a community college district, a community college service district or a  
29 public university is unable to adequately provide services in a specific ge-  
30 ographic area, the department may make grants available to other service

1 providers as determined by the department. The grant application shall in-  
2 clude:

3 “(a) Plans for providing small business owners and managers individual  
4 counseling, to the greatest extent practicable, in subject areas critical to  
5 small business success;

6 “(b) A budget for the year for which a grant is requested, including cost  
7 apportionment among the department, small business clients, the community  
8 college, the public university or other service providers and other sources;

9 “(c) A plan for evaluating the effect of the program on small business  
10 clients served; and

11 “(d) A plan for providing collaboration with state agencies, state-  
12 supported organizations and private sector entities that provide services to  
13 small businesses.

14 “(2) The grants made under subsection (1) of this section are to be used  
15 by the grant recipient to provide:

16 “(a) Small business development center staff and support staff;

17 “(b) Expert resource persons from the business community;

18 “(c) Outreach and marketing for small business development centers;

19 “(d) Training and business resources as approved by the department in  
20 skill areas for which, or areas of the state where, the grant recipient can  
21 demonstrate it does not otherwise have the capacity or expertise to provide  
22 the resources; and

23 “(e) Costs related to providing training, counseling and business resources  
24 to small business clients.

25 “(3) To be eligible for a grant under subsection (1) of this section, the  
26 recipient shall be required to provide funds, in-kind contributions or some  
27 combination of funds and contributions, in accordance with rules adopted by  
28 the department.

29 “(4) Subject to the approval of the department, a grant recipient may  
30 subcontract funds received under this section to any other entity that is el-

1 ible to receive funding under this section.

2 “(5) The grant recipient shall submit a final report to the department af-  
3 ter the distribution of grant funds and the delivery of services to the pro-  
4 posed business clients. The report shall state whether the plan and related  
5 budget have met the applicable criteria as described in the recipient’s appli-  
6 cation for the grant period.

7 **“SECTION 151.** ORS 285B.178 is amended to read:

8 “285B.178. As used in this section and ORS 285B.179:

9 “(1) ‘Local microenterprise support organization’ means a community de-  
10 velopment corporation, a nonprofit development organization, a nonprofit  
11 social services organization or another locally operated nonprofit entity that  
12 provides services to disadvantaged entrepreneurs.

13 “(2) ‘Low income’ means income adjusted for family size that does not  
14 exceed:

15 “(a) For metropolitan areas, 80 percent of median income; or

16 “(b) For nonmetropolitan areas, the greater of 80 percent of the area me-  
17 dian income or 80 percent of the statewide nonmetropolitan area median in-  
18 come.

19 “(3) ‘Microenterprise’ has the meaning given that term under 15 U.S.C.  
20 6901, as amended and in effect on June 30, 2007. If 15 U.S.C. 6901 is amended  
21 or altered on or after July 1, 2007, the [*Oregon Business Development De-*  
22 *partment*] **Oregon Department of Commerce and Trade** may adopt by rule  
23 a definition of ‘microenterprise’ to give the term the meaning given in 15  
24 U.S.C. 6901 as amended or altered.

25 “(4) ‘Microentrepreneur’ means an individual conducting a microenter-  
26 prise.

27 “(5) ‘Microlending’ means the practice of lending moneys to microenter-  
28 prises or microentrepreneurs.

29 “(6) ‘Statewide microenterprise support organization’ means a community  
30 development corporation, a nonprofit development organization, a nonprofit



1 social services organization or another nonprofit entity that serves as an  
2 intermediary between the department and local microenterprise support or-  
3 ganizations.

4 “(7) ‘Training and technical assistance’ means services and support of-  
5 fered to microenterprises and microentrepreneurs. ‘Training and technical  
6 assistance’ includes, but is not limited to, services to enhance business de-  
7 velopment, asset building, business planning, marketing, management skills  
8 and access to financial services.

9 “(8) ‘Very low income’ means income adjusted for family size that does  
10 not exceed 150 percent of the poverty level determined under 42 U.S.C. 9902,  
11 as amended and in effect on June 30, 2007. If 42 U.S.C. 9902 is amended or  
12 altered on or after July 1, 2007, the department may adopt by rule the  
13 standard for determining the federal poverty level under 42 U.S.C. 9902 as  
14 amended or altered.

15 **“SECTION 152.** ORS 285B.179 is amended to read:

16 “285B.179. The purposes of ORS 285B.178 and this section are to:

17 “(1) Ensure that microenterprises in Oregon are able to realize their full  
18 potential to create jobs, enhance entrepreneurial skills, expand  
19 entrepreneurial activity and increase the capacity of low income and very  
20 low income households to become self-sufficient;

21 “(2) Enhance the development of a statewide infrastructure for microen-  
22 terprise support; and

23 “(3) Enable the [*Oregon Business Development Department*] **Oregon De-**  
24 **partment of Commerce and Trade** to engage in contractual relationships  
25 with statewide microenterprise support organizations that have the capacity  
26 to administer grants to local microenterprise support organizations, subject  
27 to ORS 285B.178 and this section, and to leverage additional funds from  
28 sources other than moneys appropriated from the General Fund.

29 **“SECTION 153.** ORS 285B.200 is amended to read:

30 “285B.200. As used in ORS 285B.200 to 285B.218:

1 “(1) ‘Brownfield’ or ‘brownfields’ has the meaning given that term in ORS  
2 285A.185.

3 “(2) ‘Eligible project costs’ includes productive equipment and machinery,  
4 working capital for operations and export transactions and such other costs  
5 as the [*Oregon Business Development Department*] **Oregon Department of**  
6 **Commerce and Trade** by rule may provide.

7 “(3) ‘Environmental action’ has the meaning given that term in ORS  
8 285A.188.

9 “(4) ‘Financial institution’ includes institutions listed in ORS 706.008 and  
10 such other institutions defined by rule of the department as financial insti-  
11 tutions for purposes of ORS 285B.200 to 285B.218.

12 “(5) ‘Qualified business’ means any existing or proposed business located  
13 in this state that will produce substantial benefits for this state.

14 “(6) ‘Value-added agricultural industry’ means an industry in which agri-  
15 cultural products have been processed, transformed or refined to the point  
16 where the products may be distributed to a final consumer without further  
17 processing, transformation or refining. The term also includes industries in  
18 which agricultural products are processed, transformed or refined for dis-  
19 tribution to other than final consumers when such processing, transforma-  
20 tion or refining represents a substantial increment in value as determined  
21 by the [*Oregon Business Development Department*] **Oregon Department of**  
22 **Commerce and Trade** in consultation with the State Department of Agri-  
23 culture.

24 “**SECTION 154.** ORS 285B.206 is amended to read:

25 “285B.206. (1) The [*Oregon Business Development Department*] **Oregon**  
26 **Department of Commerce and Trade** shall develop a program under which  
27 the department, under contracts with financial institutions, shall provide  
28 loan guarantees, insurance, coinsurance in conjunction with other providers  
29 of loan guarantee programs or other forms of credit guarantees for qualified  
30 businesses for eligible project costs.

1 “(2) In administering the program created by ORS 285B.200 to 285B.218,  
2 the department shall consult and cooperate with financial institutions in this  
3 state. The program shall be administered so that administrative procedures  
4 and application procedures are as responsive to the needs of qualified busi-  
5 nesses and financial institutions as practicable, consistent with prudent in-  
6 vestment and lending practices and criteria.

7 “(3) The department shall prescribe by rule the loan or credit guarantee  
8 application procedure for a financial institution on behalf of a qualified  
9 business.

10 “(4) When the department approves a loan or credit guarantee, the de-  
11 partment shall enter into a loan or credit guarantee agreement with the fi-  
12 nancial institution. The agreement shall specify:

13 “(a) The fee to be charged to the financial institution;

14 “(b) The evidence of debt assurance of, and security for, the loan or credit  
15 guarantee;

16 “(c) A loan guarantee or credit guarantee which does not exceed 15 years;  
17 and

18 “(d) Such other terms and conditions considered necessary or desirable  
19 by the department.

20 “**SECTION 155.** ORS 285B.209 is amended to read:

21 “285B.209. (1) When making loan or credit guarantees under the program  
22 established under ORS 285B.200 to 285B.218, the [*Oregon Business Develop-*  
23 *ment Department*] **Oregon Department of Commerce and Trade** shall es-  
24 tablish fees and other terms for loan or credit guarantees that are calculated  
25 to reasonably assure that businesses with access to other forms of private  
26 capital will find it economical not to participate in the program.

27 “(2) The department, with due regard for the possibility of losses and ad-  
28 ministrative costs, shall set fees and other terms at levels sufficient to rea-  
29 sonably assure that the program is self-financing.

30 “**SECTION 156.** ORS 285B.215 is amended to read:

1 “285B.215. (1) There is established in the State Treasury, separate and  
2 distinct from the General Fund, the Credit Enhancement Fund. All moneys  
3 in the fund are continuously appropriated to the [*Oregon Business Develop-*  
4 *ment Department*] **Oregon Department of Commerce and Trade** for the  
5 following purposes:

6 “(a) Payment of claims pursuant to contracts for loan or credit guarantees  
7 under ORS 285B.200 to 285B.218.

8 “(b) Payment of administrative costs of the department for actual and  
9 necessary administrative expenses incurred by the department in adminis-  
10 tering the fund and establishing and maintaining the program established  
11 under ORS 285B.200 to 285B.218.

12 “(c) Repayment of transfers of funds required or authorized by law.

13 “(d) Purchase or buyout of superior or prior liens, mortgages or security  
14 interests.

15 “(2) Moneys in the Credit Enhancement Fund shall consist of:

16 “(a) Moneys appropriated to the fund by the Legislative Assembly, in-  
17 cluding moneys derived from the Administrative Services Economic Devel-  
18 opment Fund.

19 “(b) Proceeds from collateral assigned to the department.

20 “(c) Interest earned on moneys in the fund.

21 “(d) Transfers of moneys to the fund.

22 “(e) Fees assessed for guarantees, as determined by the department.

23 “(f) Moneys from gifts.

24 “(g) Moneys from any grant made to the fund by any federal agency.

25 “(h) Proceeds of insurance provided by the Export-Import Bank of the  
26 United States or by any other provider of insurance for export transactions.

27 “**SECTION 157.** ORS 285B.218 is amended to read:

28 “285B.218. (1) The [*Oregon Business Development Department*] **Oregon**  
29 **Department of Commerce and Trade** is authorized to pledge up to \$75  
30 million to assure the repayment of loan guarantees or other extensions of

1 credit made to or on behalf of qualified businesses for eligible projects costs.

2 “(2) If the balances in the Credit Enhancement Fund are insufficient to  
3 cover any claims by financial institutions that arise from loan and credit  
4 guarantees made under ORS 285B.200 to 285B.218, the Oregon Department  
5 of Administrative Services is directed to transfer in the fiscal year as often  
6 as appropriate any funds from the Administrative Services Economic Devel-  
7 opment Fund to cover such principal, interest and claims, subject to the  
8 condition that no such transfer shall be made prior to the satisfaction of any  
9 constitutionally dedicated distribution, the allocation under ORS 391.130 to  
10 the Regional Light Rail Extension Construction Fund or any allocations re-  
11 lated to the lottery bond program authorized by ORS 286A.560 (6)(a) or (b).

12 **“SECTION 158.** ORS 285B.230 is amended to read:

13 “285B.230. As used in ORS 285B.230 to 285B.266, unless the context re-  
14 quires otherwise, ‘local economic development strategy’ is a long-term eco-  
15 nomic development strategy, updated as required by the [*Oregon Business*  
16 *Development Department*] **Oregon Department of Commerce and Trade**,  
17 that focuses on the economic development priorities of each community or  
18 geographic region in the state.

19 **“SECTION 159.** ORS 285B.236 is amended to read:

20 “285B.236. (1) The [*Oregon Business Development Department*] **Oregon**  
21 **Department of Commerce and Trade** by rule shall adopt guidelines for  
22 submission of local economic development strategies and distribution of  
23 funds.

24 “(2) The guidelines shall provide that the local economic development  
25 strategies are approved in accordance with criteria reflecting the economic  
26 benefits to the state. Each local economic development strategy must at a  
27 minimum set forth in measurable terms the extent to which the strategy will  
28 accomplish the economic development priorities of the community or ge-  
29 ographic region, and the department’s performance standards.

30 **“SECTION 160.** ORS 285B.260 is amended to read:

1 “285B.260. (1) There is created a Local Economic Opportunity Fund, sep-  
2 arate and distinct from the General Fund, to consist of all moneys credited  
3 thereto, including moneys from the Administrative Services Economic De-  
4 velopment Fund, and all interest earned on the Local Economic Opportunity  
5 Fund. The fund is continuously appropriated to the [*Oregon Business Devel-*  
6 *opment Department*] **Oregon Department of Commerce and Trade** to be  
7 used for grants to implement ORS 280.518 and 285B.230 to 285B.266.

8 “(2) The department may use moneys in the Local Economic Opportunity  
9 Fund to pay for the administrative expenses of operating the local invest-  
10 ment program under ORS 285B.230 to 285B.266.

11 “(3) The fund shall not be used to retire any debt, to reimburse any person  
12 or municipality for expenditures made or expenses incurred prior to the  
13 adoption of a local economic development strategy or to substitute for local  
14 government expenditures for existing and continuing public services. The  
15 department shall adopt rules to carry out the provisions of this subsection.

16 “(4) After consulting with representatives of communities or geographic  
17 areas, the department, by rule, shall adopt standards, objectives and criteria  
18 for the use and distribution of moneys in the Local Economic Opportunity  
19 Fund.

20 “(5) The Local Economic Opportunity Fund is created to provide a flexible  
21 funding source for financing those locally determined programs and projects  
22 that may not be eligible for financing through other state and federal fund-  
23 ing sources.

24 “**SECTION 161.** ORS 285B.266 is amended to read:

25 “285B.266. (1) There is created a Strategic Reserve Fund, separate and  
26 distinct from the General Fund, to consist of all moneys credited thereto,  
27 including moneys from the Administrative Services Economic Development  
28 Fund, and all interest earned on the Strategic Reserve Fund. The fund is  
29 continuously appropriated to the [*Oregon Business Development Department*]  
30 **Oregon Department of Commerce and Trade** to be used to implement

1 statewide strategies for economic development.

2 “(2) The fund shall not be used to retire any debt or, except upon approval  
3 of the Joint Ways and Means Committee or, if the Legislative Assembly is  
4 not in session, the Emergency Board, to pay administrative expenses of the  
5 department. Expenses that are project related shall not be considered to be  
6 administrative expenses of the department.

7 “(3) The department is directed to place particular emphasis on invest-  
8 ments that assist communities, businesses or industries in cost-effective  
9 projects that assist the creation, expansion and preservation of the principal  
10 traded sector industries of Oregon and encourage diversification and preser-  
11 vation of regional economies. The fund shall be used to assist economic and  
12 community development projects of public entities, industry groups or busi-  
13 nesses with significant long-term, regional or statewide economic impacts,  
14 to provide interim financing mechanisms to augment existing public or pri-  
15 vate sector programs or to analyze statewide, long-term economic issues and  
16 opportunities.

17 **“SECTION 162.** ORS 285B.283 is amended to read:

18 “285B.283. The Legislative Assembly declares that it is the policy of the  
19 State of Oregon:

20 “(1) Working with private firms, industry associations and others, to en-  
21 courage cooperative sector-based strategies to promote industrial  
22 competitiveness.

23 “(2) That programs to develop particular industry sectors of this state’s  
24 economy, to the maximum extent feasible, include firms of all sizes. To pro-  
25 mote that policy, the [*Oregon Business Development Department*] **Oregon**  
26 **Department of Commerce and Trade** shall undertake efforts as are nec-  
27 essary to encourage representative participation by small firms under ORS  
28 285B.280 to 285B.286.

29 “(3) To emphasize industry development in those sectors of the economy  
30 in which Oregon firms face national and international competition.

1 “(4) To provide an adequate supply of industrial and traded sector sites  
2 that are available for immediate development.

3 **“SECTION 163.** ORS 285B.286 is amended to read:

4 “285B.286. For traded sector industries, the [*Oregon Business Development*  
5 *Department*] **Oregon Department of Commerce and Trade** shall undertake  
6 entrepreneurial and industry development activities that may include, but  
7 are not limited to, all of the following:

8 “(1) Focus groups and other meetings and related studies to identify  
9 traded sector industry members and issues of common concern within an in-  
10 dustry.

11 “(2) State technical and financial support for formation of industry asso-  
12 ciations, publication of association directories and related efforts to create  
13 or expand the activities of industry associations.

14 “(3) Helping establish research consortia as well as partnering with uni-  
15 versities and other research institutions to assist in the retention and  
16 recruitment of targeted industries.

17 “(4) Joint training and education programs and curricula related to the  
18 specific needs of traded sector industries.

19 “(5) Cooperative market and entrepreneurial development activities.

20 “(6) Analysis of the need, feasibility and cost for establishing product  
21 certification and testing facilities and services.

22 “(7) State technical and financial support to facilitate certification of  
23 sites as ready for development for traded sector industry. The support may  
24 include performing site assessments to determine the costs associated with  
25 development of individual sites.

26 “(8) Assistance to traded sector and cluster affiliated Oregon businesses  
27 and consortia in making investments that advance entrepreneurial and  
28 industry-related development activities or other identified competitiveness  
29 objectives of existing Oregon cluster businesses.

30 “(9) Assistance and support that promote regional economic development



1 strategies fostering entrepreneurship and the development of targeted indus-  
2 try clusters in rural communities.

3 “(10) Subject to applicable policies and procedures, entering into agree-  
4 ments for grants or other assistance, including but not limited to direct  
5 purchase of goods or services related to entrepreneurial and industry devel-  
6 opment.

7 **“SECTION 164.** ORS 285B.290 is amended to read:

8 “285B.290. The Industry Competitiveness Fund is established in the State  
9 Treasury, separate and distinct from the General Fund. The Industry  
10 Competitiveness Fund shall consist of all moneys credited to the fund, in-  
11 cluding moneys from the Administrative Services Economic Development  
12 Fund. Interest earned by the Industry Competitiveness Fund shall be credited  
13 to the fund. Moneys in the fund are continuously appropriated to the [*Oregon*  
14 *Business Development Department*] **Oregon Department of Commerce and**  
15 **Trade** to provide funds for activities outlined in ORS 285B.286.

16 **“SECTION 165.** ORS 285B.323 is amended to read:

17 “285B.323. (1) As used in ORS 285B.320 to 285B.371, unless the context  
18 requires otherwise:

19 “(a) ‘Bond’ or ‘revenue bond’ means a revenue bond, as defined in ORS  
20 286A.001.

21 “(b) ‘Capital asset’ means real or personal property that the [*Oregon*  
22 *Business Development Commission*] **Oregon Commerce and Trade Com-**  
23 **mission** expects to be:

24 “(A) Used in connection with a revenue-producing enterprise, an exempt  
25 facility or a nonprofit entity; and

26 “(B) Located in Oregon.

27 “(c) ‘Economic development project’ means:

28 “(A) A capital asset.

29 “(B) Research and development conducted in Oregon.

30 “(C) Estimated operating expenses associated with a capital asset.

1 “(d) ‘Eligible project’ means the portion of an economic development  
2 project that the commission:

3 “(A) Has found is in compliance with applicable standards of the com-  
4 mission;

5 “(B) Has found will produce substantial benefits in Oregon; and

6 “(C) Has approved for financing with proceeds of bonds authorized under  
7 ORS 285B.320 to 285B.371.

8 “(e) ‘Exempt facility’ means any facility described in section 142(a) of the  
9 Internal Revenue Code of 1986, as amended and in effect as of July 1, 2011.

10 “(f) ‘Nonprofit entity’ means an institution, organization or other entity  
11 exempt from taxation under section 501(c)(3) of the Internal Revenue Code  
12 of 1986, as amended and in effect as of July 1, 2011.

13 “(2) Notwithstanding the definition of ‘exempt facility’ in subsection (1)  
14 of this section, if section 142(a) of the Internal Revenue Code of 1986 is  
15 amended or altered on or after July 1, 2011, the [*Oregon Business Develop-*  
16 *ment Department*] **Oregon Department of Commerce and Trade** may adopt  
17 by rule a definition of ‘exempt facility’ that is consistent with section 142(a)  
18 of the Internal Revenue Code of 1986 as amended or altered.

19 “(3) Notwithstanding the definition of ‘nonprofit entity’ in subsection (1)  
20 of this section, if section 501(c)(3) of the Internal Revenue Code of 1986 is  
21 amended or altered on or after July 1, 2011, the department may adopt a  
22 definition of ‘nonprofit entity’ that is consistent with section 501(c)(3) of the  
23 Internal Revenue Code of 1986 as amended or altered.

24 “**SECTION 166.** ORS 285B.326 is amended to read:

25 “285B.326. (1) Upon determining that an economic development project is  
26 an eligible project, the [*Oregon Business Development Commission*] **Oregon**  
27 **Commerce and Trade Commission** shall request that the State Treasurer  
28 issue the bonds.

29 “(2) For bonding purposes, the commission may treat any number of eco-  
30 nomic development projects determined to be eligible projects as a single

1 eligible project.

2 “(3) The commission shall collect fees set forth in rules established by the  
3 [*Oregon Business Development Department*] **Oregon Department of Com-**  
4 **merce and Trade**. Moneys collected under this subsection shall be deposited  
5 in the Oregon Business, Innovation and Trade Fund created under ORS  
6 285A.227 and are continuously appropriated to the commission for the pur-  
7 pose of administration or funding of the Oregon Industrial Development  
8 Revenue Bond and Express Bond Program.

9 “(4)(a) In addition to the fees described in subsection (3) of this section,  
10 the commission may charge and receive reimbursement for expenses incurred  
11 in:

12 “(A) The initial review of an application for economic development  
13 projects sought to be declared eligible for financing; and

14 “(B) Matters arising after the issuance of a bond.

15 “(b) Reimbursement for expenses under this subsection shall be charged  
16 and received in accordance with rules established by the department.

17 **“SECTION 167.** ORS 285B.329 is amended to read:

18 “285B.329. (1) The state, acting through the State Treasurer, shall not  
19 undertake to finance any economic development project pursuant to ORS  
20 285B.320 to 285B.371 before the [*Oregon Business Development Commission*]  
21 **Oregon Commerce and Trade Commission** has reviewed the project.

22 “(2) The commission is not required to make the determination and  
23 findings described in ORS 285A.055 (1) and (2) if the economic development  
24 project involves an exempt facility.

25 **“SECTION 168.** ORS 285B.335 is amended to read:

26 “285B.335. (1) In addition to any other powers granted by law or by  
27 charter, the [*Oregon Business Development Department*] **Oregon Depart-**  
28 **ment of Commerce and Trade** may:

29 “(a) Enter into agreements to finance the costs of an eligible project by  
30 loaning or otherwise making available the proceeds of bonds authorized by

1 ORS 285B.344 to a person, an agency of the federal government or state  
2 government, as defined in ORS 174.111, under terms and with security ap-  
3 proved by the department.

4 “(b) Lease and sublease eligible projects to a person, an agency of the  
5 federal government or state government, as defined in ORS 174.111, subject  
6 to subsection (2) of this section.

7 “(c) Pledge or assign all or part of the revenues of one or more eligible  
8 projects owned or to be acquired by the state to the holders of bonds issued  
9 under this section or to a trustee for the holders, and segregate the revenues  
10 or provide for payment of the revenues to the trustee.

11 “(d) Mortgage or otherwise encumber eligible projects in favor of the  
12 holders of bonds issued under this section, a trustee for the holders of the  
13 bonds, or an escrow agent, vendor, lender, other financing party or trustee  
14 for the bonds without obligating the state except with respect to the project.

15 “(e) Make contracts, execute instruments and do what is necessary or  
16 desirable to exercise the powers granted by this section, to perform the  
17 covenants or duties of this state or to secure the payment of bonds issued  
18 under this section. Contracts that may be made by the state include, but are  
19 not limited to, contracts entered into prior to construction, acquisition or  
20 installation of an eligible project that authorize, subject to terms and con-  
21 ditions the state finds necessary or desirable, a lessee to provide for con-  
22 struction, acquisition or installation of buildings, improvements or  
23 equipment to be included in the project.

24 “(f) Enter into and perform contracts and agreements with participating  
25 institutions for the planning, construction, installation, acquisition, leasing  
26 or financing of facilities of an eligible project, including a contract or  
27 agreement that establishes a body for the supervision and general manage-  
28 ment of the facilities.

29 “(g) Accept loans or grants for the planning, construction, installation,  
30 acquisition, leasing or other provision of an eligible project from an au-

1 thorized agency of the federal government, and enter into agreements with  
2 the agency respecting the loans or grants.

3 “(h) Acquire, own, sell, assign or otherwise hold legal or equitable title  
4 to or an interest in eligible projects or hold federal tax ownership of eligible  
5 projects.

6 “(2) A lease or sublease entered into under subsection (1)(b) of this sec-  
7 tion must provide that:

8 “(a) Rents charged for the use of the project are established and revised  
9 as necessary to produce sufficient revenue to allow for payment of the prin-  
10 cipal of and interest on bonds issued under this chapter when due; and

11 “(b) The lessee or sublessee is required to pay:

12 “(A) The expenses of the operation and maintenance of the project in-  
13 cluding, but not limited to, adequate insurance on the project and insurance  
14 against liability for injury to persons or property arising from the operation  
15 of the project; and

16 “(B) The taxes and special assessments levied upon the leased or sub-  
17 leased premises and payable during the term of the lease or sublease.

18 “(3) During the term of a lease or sublease entered into under subsection  
19 (1)(b) of this section, ad valorem taxes must be imposed on the real and  
20 personal property of the eligible project in the same manner as the taxes  
21 would be imposed if the lessee or sublessee were the owner of the eligible  
22 project.

23 **“SECTION 169.** ORS 285B.338 is amended to read:

24 “285B.338. In carrying out its duties under ORS 285B.320 to 285B.371, the  
25 [*Oregon Business Development Commission*] **Oregon Commerce and Trade**  
26 **Commission** acting for and in behalf of the state as its duly authorized  
27 agency, may:

28 “(1) Acquire, construct and hold in whole or in part any lands, buildings,  
29 easements, water and air rights, improvements to lands and buildings and  
30 capital equipment to be located permanently or used exclusively on such

1 lands or in such buildings, which are deemed necessary in connection with  
2 an eligible project to be situated within the state, and construct, reconstruct,  
3 improve, better and extend such projects, and enter into contracts therefor;  
4 and

5 “(2) Sell and convey all properties acquired in connection with eligible  
6 projects, including without limitation the sale and conveyance thereof sub-  
7 ject to any mortgage and the sale and conveyance thereof under an option  
8 granted to the lessee of the eligible project, for such price, and at such time  
9 as the state may determine. However, no sale or conveyance of such proper-  
10 ties shall ever be made in such manner as to impair the rights of interests  
11 of the holder, or holders, or any bonds issued under the authority of ORS  
12 285B.320 to 285B.371.

13 **“SECTION 170.** ORS 285B.341 is amended to read:

14 “285B.341. Except as provided in ORS 285B.335 and 285B.338, the state  
15 does not have the power to operate any eligible project as a business or in  
16 any manner whatsoever, and except as provided in ORS 285B.335 and  
17 285B.338, nothing in ORS 285B.320 to 285B.371 authorizes the state to expend  
18 any funds on any eligible project, other than the revenues of such projects,  
19 or the proceeds of revenue bonds issued hereunder, or other funds granted  
20 to the state for the purposes of an eligible project. For the purpose of exer-  
21 cising the powers and authority granted under ORS 285B.335 or 285B.338, the  
22 state and the [*Oregon Business Development Commission*] **Oregon Com-**  
23 **merce and Trade Commission** are not subject to the requirements of ORS  
24 279.835 to 279.855 or ORS chapter 279A, 279B or 279C.

25 **“SECTION 171.** ORS 285B.344 is amended to read:

26 “285B.344. (1) At the request of the [*Oregon Business Development De-*  
27 *partment*] **Oregon Department of Commerce and Trade**, the State Treas-  
28 urer may issue under ORS 285B.320 to 285B.371 and ORS chapter 286A bonds  
29 secured by revenues from an eligible project or from other financing sources  
30 to finance or refinance in whole or part an eligible project and bond-related

1 costs, including capitalized interest. The bonds must be identified by eligible  
2 project. Refunding bonds may be issued to refinance the bonds.

3 “(2) The department or the State Treasurer may appoint bond counsel as  
4 prescribed under ORS 286A.130.

5 “(3) Any escrow agent, bond registrar, paying agent or trustee, if any,  
6 designated to carry out all or part of the powers specified in ORS 285B.335  
7 must agree to furnish financial statements and audit reports for each bond  
8 issue.

9 **“SECTION 172.** ORS 285B.362 is amended to read:

10 “285B.362. The official action authorizing the issuance of bonds under  
11 ORS 285B.320 to 285B.371 to finance or refinance in whole or in part, the  
12 acquisition, construction, installation, reconstruction, improvement,  
13 betterment or extension of any eligible project may contain covenants, not-  
14 withstanding that such covenants may limit the exercises of powers con-  
15 ferred by ORS 285B.320 to 285B.371 in the following respects and in such  
16 other respects as the [*Oregon Business Development Department*] **Oregon**  
17 **Department of Commerce and Trade** may decide:

18 “(1) The rents to be charged for the use of properties acquired, con-  
19 structed, installed, reconstructed, improved, bettered or extended under the  
20 authority of ORS 285B.320 to 285B.371;

21 “(2) The use and disposition of the revenues of such projects;

22 “(3) The creation and maintenance of sinking funds and the regulation,  
23 use and disposition thereof;

24 “(4) The creation and maintenance of funds to provide for maintaining the  
25 eligible project and replacement of properties depreciated, damaged, de-  
26 stroyed or condemned;

27 “(5) The purpose or purposes to which the proceeds of sale of bonds may  
28 be applied and the use and disposition of such proceeds;

29 “(6) The nature of mortgages or other encumbrances on the eligible  
30 project made in favor of the holder or holders of such bonds or in favor of

1 any escrow agent, vendor, lender, other financing party or trustee therefor;

2 “(7) The events of default and the rights and liabilities arising thereon  
3 and the terms and conditions upon which the holders of any bonds may bring  
4 any suit or action on such bonds or on any coupons appurtenant thereto;

5 “(8) The issuance of other or additional bonds or instruments payable  
6 from or constituting a charge against the revenue of the eligible project;

7 “(9) The insurance to be carried upon the eligible project and the use and  
8 disposition of insurance moneys;

9 “(10) The keeping of books of account and the inspection and audit  
10 thereof;

11 “(11) The terms and conditions upon which any or all of the bonds shall  
12 become or may be declared due before maturity and the terms and conditions  
13 upon which such declaration and its consequences may be waived;

14 “(12) The rights, liabilities, powers and duties arising upon the breach by  
15 the municipality or redevelopment agency of any covenants, conditions or  
16 obligations;

17 “(13) The appointing of and vesting in a trustee or trustees of the right  
18 to enforce any covenants made to secure or to pay the bonds; the powers and  
19 duties of such trustee or trustees, and the limitation of their liabilities;

20 “(14) The terms and conditions upon which the holder or holders of the  
21 bonds, or the holders of any proportion or percentage of them, may enforce  
22 any covenants made under ORS 285B.320 to 285B.371;

23 “(15) A procedure by which the terms of any official action authorizing  
24 bonds or of any other contract with bondholders, including but not limited  
25 to an indenture of trust or similar instrument, may be amended or abrogated,  
26 and the amount of bonds the holders of which may consent thereto, and the  
27 manner in which such consent may be given; and

28 “(16) The subordination of the security of any bonds issued under ORS  
29 285B.320 to 285B.371 and the payment of principal and interest thereof, to the  
30 extent deemed feasible and desirable by the state, to other bonds or obli-



1 gations of the state issued to finance the eligible project or that may be  
2 outstanding when the bonds thus subordinated are issued and delivered.

3 **“SECTION 173.** ORS 285B.371 is amended to read:

4 “285B.371. The state, acting through the [*Oregon Business Development*  
5 *Commission*] **Oregon Commerce and Trade Commission**, may loan the  
6 proceeds of the bonds authorized by ORS 285B.320 to 285B.371 for eligible  
7 projects without the necessity of the state having any ownership or leasehold  
8 interest in the eligible projects. Loans made pursuant to this section shall  
9 be secured, if at all, to the extent deemed necessary or desirable by the  
10 commission.

11 **“SECTION 174.** ORS 285B.410 is amended to read:

12 “285B.410. As used in ORS 285B.410 to 285B.482, unless the context re-  
13 quires otherwise:

14 “(1) ‘Airport’ means:

15 “(a) A runway, taxiway, aircraft parking apron, ramp, auto parking area,  
16 access road, safety area or runway protection zone;

17 “(b) An airport-related facility, including a hangar, terminal, air traffic  
18 control tower or other building;

19 “(c) A signal, navigational aid or traffic control system; or

20 “(d) A fuel tank or other physical airport improvement.

21 “(2)(a) ‘Community development project’ means a project that involves  
22 strategic planning, training or other technical assistance as defined by the  
23 [*Oregon Business Development Department*] **Oregon Department of Com-**  
24 **merce and Trade** by rule, and that is aimed at strengthening the economic  
25 development, community development or infrastructure priority setting of a  
26 municipality or region.

27 “(b) ‘Community development project’ includes the following activities:

28 “(A) Developing and managing short-term and long-term projects;

29 “(B) Developing priorities for infrastructure projects;

30 “(C) Strategic planning related to furthering economic or community de-

1 velopment; or

2 “(D) Training related to economic or community development, including  
3 training to improve leadership skills, technical skills or analytical skills,  
4 particularly in rural and distressed areas.

5 “(c) ‘Community development project’ includes projects that may encom-  
6 pass a municipality or any part of a municipality and may be undertaken in  
7 cooperation with another municipality.

8 “(3) ‘Development project’ means a project for the acquisition, improve-  
9 ment, construction, demolition, or redevelopment of municipally owned util-  
10 ities, buildings, land, transportation facilities or other facilities that assist  
11 the economic and community development of the municipality, including  
12 planning project activities that are necessary or useful as determined by the  
13 Oregon Infrastructure Finance Authority.

14 “(4) ‘Direct project management costs’ means expenses directly related to  
15 a project that are incurred by a municipality solely to support or manage a  
16 project eligible for assistance under ORS 285B.410 to 285B.482. ‘Direct  
17 project management costs’ does not include routine or ongoing expenses of  
18 the municipality.

19 “(5) ‘Emergency project’ means a development project resulting from an  
20 emergency as defined in ORS 401.025, to which federal disaster relief has  
21 been committed.

22 “(6) ‘Energy system’ means a facility necessary for the distribution,  
23 transmission or generation of energy, including but not limited to facilities  
24 powered by wind, solar energy or biofuel and facilities for the collection,  
25 storage, transmission or distribution of a fuel, including natural gas,  
26 methane or hydrogen.

27 “(7) ‘Levee project’ means a community development project, development  
28 project, planning project or other project that is associated with the con-  
29 struction, capital improvement, inspection, accreditation, certification or re-  
30 pair of levees, flood control embankments or flood control facilities.

1 “(8) ‘Marine facility’ means:  
2 “(a) A wharf, dock, freight handling or passenger facility;  
3 “(b) A navigation channel or structure, including a project funded under  
4 ORS 777.267; or  
5 “(c) Any other physical marine facility improvement.  
6 “(9) ‘Municipality’ means an Oregon city or county, the Port of Portland  
7 created by ORS 778.010, a county service district organized under ORS  
8 chapter 451, a district as defined in ORS 198.010, a drainage district organ-  
9 ized under ORS chapter 547, a tribal council of a federally recognized Indian  
10 tribe in this state or an airport district organized under ORS chapter 838.  
11 “(10) ‘Planning project’ means:  
12 “(a) A project related to a potential development project for preliminary,  
13 final or construction engineering;  
14 “(b) A survey, site investigation or environmental action;  
15 “(c) A financial, technical or other feasibility report, study or plan; or  
16 “(d) An activity that the authority determines to be necessary or useful  
17 in planning for a potential development project.  
18 “(11) ‘Project’ means a development, community development, planning,  
19 levee or emergency project.  
20 “(12) ‘Railroad’ means:  
21 “(a) A main line, siding, yard, connecting or auxiliary track, right of way  
22 or easement;  
23 “(b) An industrial spur or related facility, including a depot, shop, main-  
24 tenance building or other building;  
25 “(c) A signal or traffic control system;  
26 “(d) A bridge or tunnel;  
27 “(e) A dock, pit, conveyor, bin, crane, piping system, tank or pavement for  
28 unloading, loading or transfer of freight, trailers or containers; or  
29 “(f) Any other physical railroad improvement.  
30 “(13) ‘Road’ means a street, highway or thruway or a road-related struc-

1 ture that provides for continuity of a right of way, including a bridge, tun-  
2 nel, culvert or similar structure or other physical road-related improvement.

3 “(14) ‘Rural area’ has the meaning given that term in ORS 285A.010.

4 “(15) ‘Solid waste disposal site’ has the meaning given the term ‘disposal  
5 site’ in ORS 459.005.

6 “(16) ‘Telecommunications system’ means equipment or a facility for the  
7 electronic transmission of voice, data, text, image or video.

8 “(17) ‘Transportation’ means a system for movement of freight or passen-  
9 gers.

10 “(18) ‘Utilities’ means a solid waste disposal site or a water, sewage,  
11 storm water drainage, energy or telecommunications system.

12 **“SECTION 175.** ORS 285B.413 is amended to read:

13 “285B.413. (1) The Legislative Assembly finds that:

14 “(a) The improvement, expansion and new construction of the state’s  
15 infrastructure systems provide the basic framework for continuing and ex-  
16 panding economic activity in this state, thereby improving the quality of life  
17 and economic opportunity for the people of Oregon.

18 “(b) It is essential to maintain usable and developable industrial and  
19 commercial lands in Oregon.

20 “(2) Because municipalities in this state often suffer from a lack of  
21 available financing and technical capacity for these projects, it is the pur-  
22 pose of ORS 285B.410 to 285B.482 to provide financial or other assistance to  
23 enable municipalities to construct, improve and repair those facilities that  
24 are essential for supporting continuing and expanded economic activity. It  
25 is the intent of the Legislative Assembly, by providing that assistance, to  
26 stimulate industrial growth and commercial enterprise and to promote em-  
27 ployment opportunities in Oregon.

28 “(3) Moneys in the Special Public Works Fund shall be used primarily to  
29 provide loans to municipalities for development and planning projects.  
30 Grants shall be given only when loans are not feasible due to the financial

1 need of the municipality or under circumstances that the [*Oregon Business*  
2 *Development Department*] **Oregon Department of Commerce and Trade**  
3 specifies by administrative rule. The Oregon Infrastructure Finance Author-  
4 ity is authorized to determine the level of grant or loan funding, if any, on  
5 a case-by-case basis.

6 **“SECTION 176.** ORS 285B.419 is amended to read:

7 “285B.419. (1) The [*Oregon Business Development Department*] **Oregon**  
8 **Department of Commerce and Trade** shall adopt rules and policies for the  
9 administration of the Special Public Works Fund. All forms of assistance  
10 are subject to the rules and policies of the department.

11 “(2) The Oregon Infrastructure Finance Authority shall manage the Spe-  
12 cial Public Works Fund and any expenditures from its accounts and transfers  
13 between its accounts so that the fund provides a continuing source of fi-  
14 nancing for development or planning projects consistent with ORS 285B.413.

15 “(3) The authority may commit moneys in the Special Public Works Fund  
16 or reserve future income to the fund for disbursement in future years under ORS  
17 285B.440. The authority shall commit or reserve moneys under this sub-  
18 section only after:

19 “(a) Allowing for contingencies;

20 “(b) Finding that there will be sufficient unobligated net income to the  
21 fund to make the future payments, consistent with the financial requirements  
22 of subsections (2) and (3) of this section; and

23 “(c) Providing in any contract for the commitment that the liability of the  
24 state to make the annual payments shall be contingent on the availability  
25 of moneys in the Special Public Works Fund.

26 “(4) In assisting municipalities with projects, the authority shall cooper-  
27 ate to the maximum extent possible with other state and federal agencies.

28 **“SECTION 177.** ORS 285B.421 is amended to read:

29 “285B.421. (1) The Levee Project Grant Fund is established in the State  
30 Treasury, separate and distinct from the General Fund. Interest earned by

1 the Levee Project Grant Fund must be credited to the fund. The Levee  
2 Project Grant Fund consists of moneys deposited in the fund under section  
3 33, chapter 671, Oregon Laws 2019, and may include moneys appropriated,  
4 allocated, deposited or transferred to the fund by the Legislative Assembly  
5 or otherwise and interest earned on moneys in the fund.

6 “(2) Moneys in the fund are continuously appropriated to the [*Oregon*  
7 *Business Development Department*] **Oregon Department of Commerce and**  
8 **Trade** for the Oregon Infrastructure Finance Authority to provide grants  
9 under ORS 285B.420 for levee projects as defined in ORS 285B.410.

10 “(3) Grants from the fund for planning projects are limited to a maximum  
11 of \$2 million per applicant per biennium.

12 “(4) Grants from the fund for construction or capital improvement  
13 projects may not exceed an amount equal to 80 percent of the total cost of  
14 the project.

15 “(5) A grant may not be awarded from the fund unless the applicant  
16 pledges matching funds to the project of at least 20 percent of the amount  
17 of the grant.

18 “(6) At least 60 percent of the dollar value of grants awarded from the  
19 fund in any biennium shall be used to provide assistance with levee projects  
20 to rural or distressed areas as those terms are defined in ORS 285A.010.

21 **“SECTION 178.** ORS 285B.428 is amended to read:

22 “285B.428. Any municipality may apply for financial or other assistance  
23 from the Special Public Works Fund by submitting a completed application  
24 and related information as required by the [*Oregon Business Development*  
25 *Department*] **Oregon Department of Commerce and Trade** by rule. The  
26 application shall be filed, reviewed and approved or rejected in accordance  
27 with rules adopted by the department.

28 **“SECTION 179.** ORS 285B.440 is amended to read:

29 “285B.440. (1)(a) The moneys in the Special Public Works Fund shall be  
30 used primarily to provide loans to municipalities for projects as defined in

1 ORS 285B.410 to 285B.482. The Oregon Infrastructure Finance Authority may  
2 determine the level of grant or loan funding, if any, on a case-by-case basis.

3 “(b) If the authority approves funding, the authority shall determine a  
4 maximum amount of the loan based upon a reasonable and prudent expecta-  
5 tion of the ability of the municipality to repay the loan.

6 “(c) The initial loan term may not exceed the usable life of the project  
7 or 30 years from the year of project completion, whichever is less. The term  
8 of a renegotiated loan may not exceed the remaining usable life of the  
9 project or 30 years, whichever is less.

10 “(d) Assistance from the fund for a marine facility project otherwise  
11 funded under ORS 777.267 shall be limited to a loan. The loan may not ex-  
12 ceed the amount of the required local matching funds.

13 “(2) The [*Oregon Business Development Department*] **Oregon Department**  
14 **of Commerce and Trade** shall by rule adopt standards for awarding grants  
15 from the Special Public Works Fund. The standards may include the award  
16 of grants as a financial incentive to accomplish the goals of the Special  
17 Public Works Fund, to address special circumstances of a project or to ad-  
18 dress the financial need of the applicant.

19 “(3) The authority may make grants to a municipality not to exceed \$1  
20 million per project or 85 percent of the allowable project costs, whichever  
21 is less. For purposes of this subsection, allowable project costs do not include  
22 capitalized interest, if any.

23 “(4) The authority may not expend more than one percent of the value  
24 of the Special Public Works Fund in any biennium for grants or direct as-  
25 sistance, if any, for planning projects and community development projects  
26 to municipalities.

27 “(5) Except as otherwise limited by this section, not more than 100 per-  
28 cent of the total cost of a project, including capitalized interest, shall be fi-  
29 nanced from the Special Public Works Fund.

30 “**SECTION 180.** ORS 285B.449 is amended to read:

1 “285B.449. (1) If a municipality fails to comply with a contract entered  
2 into under ORS 285B.410 to 285B.482, the [*Oregon Business Development De-*  
3 *partment*] **Oregon Department of Commerce and Trade** may seek appro-  
4 priate legal remedies to secure any repayment due the Special Public Works  
5 Fund. If any municipality defaults on payments due to the Special Public  
6 Works Fund under ORS 285B.410 to 285B.482, the State of Oregon may  
7 withhold any amounts otherwise due to the municipality to apply to the  
8 indebtedness. The department may waive this right to withhold.

9 “(2) Moneys withheld under subsection (1) of this section shall be depos-  
10 ited in the Special Public Works Fund and shall be used to repay any ac-  
11 count in the fund from which funds were expended to pay obligations upon  
12 which the municipality defaulted.

13 **“SECTION 181.** ORS 285B.455 is amended to read:

14 “285B.455. (1) There is created the Special Public Works Fund, separate  
15 and distinct from the General Fund. Interest earned by the Special Public  
16 Works Fund shall be credited to the fund. All moneys credited to the Special  
17 Public Works Fund are appropriated continuously to the [*Oregon Business*  
18 *Development Department*] **Oregon Department of Commerce and Trade**  
19 for the Oregon Infrastructure Finance Authority for the purposes set forth  
20 in this section.

21 “(2) The fund shall consist of all moneys credited to the fund, including:

22 “(a) Moneys appropriated to the fund by the Legislative Assembly or  
23 transferred to the fund by the authority;

24 “(b) Earnings on the fund;

25 “(c) Repayment of financial assistance, including interest;

26 “(d) Moneys received from the federal government, other state agencies  
27 or local governments;

28 “(e) Bond proceeds as authorized under ORS 285B.410 to 285B.482 or other  
29 law; and

30 “(f) Moneys from any other source, including but not limited to grants



1 and gifts.

2 “(3) Moneys in the Special Public Works Fund may be invested as pro-  
3 vided by ORS 293.701 to 293.857 and the earnings from the investments shall  
4 be credited to the account in the Special Public Works Fund designated by  
5 the authority.

6 “(4) The authority shall administer the Special Public Works Fund.

7 “(5) The authority may establish other accounts within the Special Public  
8 Works Fund for the payment of project costs, reserves, debt service pay-  
9 ments, credit enhancement, administrative costs and operation expenses or  
10 any other purpose necessary to carry out ORS 285B.410 to 285B.482.

11 “(6) The authority may directly or indirectly grant, expend or loan mon-  
12 eys in the fund or extend credit to:

13 “(a) Provide to municipalities any form of financial or other assistance  
14 that the authority considers appropriate to assist communities with a  
15 project, including the refinancing of temporary project financing.

16 “(b) Purchase goods or services related to a project on behalf of the  
17 municipality.

18 “(c) Provide state funds as a match for federal funds available for the  
19 administration of the Community Development Block Grant program.

20 “(d) Finance administrative costs of the authority pursuant to ORS  
21 285B.410 to 285B.482.

22 “(e) Provide annual grants on behalf of a municipality in the form of  
23 partial repayment to bondholders of amounts owed.

24 “(f) Cover contracts that are issued to guaranty any portion of the obli-  
25 gation of a municipality to finance a development project and that are not  
26 sold to the State of Oregon. Guaranty contracts under this paragraph shall  
27 be payable solely from moneys in the Special Public Works Fund, and shall  
28 not constitute a debt or obligation of the State of Oregon. The authority  
29 may, on behalf of the state, establish a special account in the fund and  
30 commit to deposit into the account specified portions of existing and future

1 allocations to the fund. The commitments shall be made by rule of the de-  
2 partment and shall constitute covenants of the state for the benefit of the  
3 owners of obligations guaranteed by the state pursuant to this section.

4 “(7) As used in this section, ‘administrative costs’ includes the authority’s  
5 direct and indirect costs for investigating and processing an application, de-  
6 veloping a contract, monitoring the use of funds by a municipality, investi-  
7 gating and resolving budget discrepancies, closing a project and providing  
8 financial or other assistance to a municipality.

9 **“SECTION 182.** ORS 285B.456 is amended to read:

10 “285B.456. (1) The Levee Project Subaccount is established in the Special  
11 Public Works Fund established under ORS 285B.455. Interest earned by the  
12 Levee Project Subaccount shall be credited to the subaccount. Moneys in the  
13 subaccount are continuously appropriated to the [*Oregon Business Develop-*  
14 *ment Department*] **Oregon Department of Commerce and Trade** for the  
15 purpose of providing financial assistance under ORS 285B.410 to 285B.482 for  
16 levee projects, as defined in ORS 285B.410.

17 “(2) The department may accept grants, donations, contributions or gifts  
18 from any source for deposit in the Levee Project Subaccount.

19 **“SECTION 183.** ORS 285B.462 is amended to read:

20 “285B.462. (1) The Oregon Infrastructure Finance Authority may provide  
21 financial or other assistance to a municipality for an emergency project.  
22 Emergency project grants include grants for essential community facilities,  
23 as defined by the [*Oregon Business Development Department*] **Oregon De-**  
24 **partment of Commerce and Trade** by rule after consultation with the  
25 League of Oregon Cities, the Association of Oregon Counties, the Oregon  
26 Ports Representation Group and the Special Districts Association of Oregon.

27 “(2) The authority may award grant funding to an emergency project only  
28 if federal disaster relief assistance has been committed for the emergency  
29 project.

30 “(3) Assistance from the Special Public Works Fund for an emergency

1 project may not exceed the total local matching funds requirement for the  
2 federal disaster relief assistance committed to the project.

3 **“SECTION 184.** ORS 285B.467 is amended to read:

4 “285B.467. (1) The Oregon Infrastructure Finance Authority shall deter-  
5 mine eligibility for revenue bond financing under ORS 285B.467 to 285B.479  
6 of development projects that have qualified under ORS 285B.419 to 285B.437  
7 and 285B.449 pursuant to rules adopted by the [*Oregon Business Development*  
8 *Department*] **Oregon Department of Commerce and Trade.**

9 “(2) After a determination is made that a development project is eligible  
10 for revenue bond financing under ORS 285B.467 to 285B.479, the department  
11 shall forward a request for the issuance of revenue bonds to the State  
12 Treasurer, who shall determine whether to issue revenue bonds.

13 “(3) When a project is determined to be eligible for revenue bond financ-  
14 ing under ORS 285B.467 to 285B.479, allowable costs as described in ORS  
15 285B.465 may be paid from bond proceeds.

16 “(4) Administrative expenses of the authority in processing applications  
17 and investigating proposed projects and bond sales may not be derived from  
18 bond proceeds.

19 “(5) The authority may pledge all or any portion of the existing or future  
20 assets and receipts of the Special Public Works Fund to pay debt service on  
21 bonds issued pursuant to ORS 285B.410 to 285B.482. The pledge shall take  
22 effect immediately, without delivery of the pledged funds to third parties, and  
23 the lien of the pledge shall be superior to all other liens of any nature.

24 “(6) The authority is authorized to establish separate accounts within the  
25 fund for separate bond issues.

26 **“SECTION 185.** ORS 285B.473 is amended to read:

27 “285B.473. (1) At the request of the [*Oregon Business Development De-*  
28 *partment*] **Oregon Department of Commerce and Trade**, the State Treas-  
29 urer may issue under ORS 285B.467 to 285B.479 and ORS chapter 286A  
30 revenue bonds secured by moneys paid to the Special Public Works Fund

1 pledged therefor to finance or refinance in whole or part the cost of acqui-  
2 sition, construction, reconstruction, improvement or extension of develop-  
3 ment projects. Refunding bonds may be issued to refinance the revenue  
4 bonds.

5 “(2) The department or the State Treasurer may appoint bond counsel as  
6 prescribed in ORS 286A.130.

7 **“SECTION 186.** ORS 285B.482 is amended to read:

8 “285B.482. (1) Notwithstanding any other law relating to revenue bonds  
9 issued and sold under ORS 285B.467 to 285B.479 or ORS 285B.572, 285B.575  
10 and 285B.578, revenue bonds may be issued and sold as parity bonds.

11 “(2) Proceeds of revenue bonds issued and sold under ORS 285B.467 to  
12 285B.479 or ORS 285B.572, 285B.575 and 285B.578, together with the invest-  
13 ment earnings thereon, may be consolidated into one or more funds or ac-  
14 counts and may be pledged to the holders of revenue bonds issued to finance  
15 water projects, as defined in ORS 285B.560, or development projects.

16 “(3) Any loan to a municipality made pursuant to ORS 285B.467 to  
17 285B.479, 285B.560 to 285B.569 or 285B.572 to 285B.599, including loans  
18 funded in whole or in part with the proceeds of revenue bonds and loans  
19 funded with moneys in the Water Fund or the Special Public Works Fund,  
20 may be pledged to the holders of revenue bonds issued to finance water  
21 projects or development projects.

22 “(4) Funds or accounts established by the [*Oregon Business Development*  
23 *Department*] **Oregon Department of Commerce and Trade** or the State  
24 Treasurer in connection with the issuance of revenue bonds under ORS  
25 285B.467 to 285B.479 or ORS 285B.572, 285B.575 and 285B.578 and moneys  
26 held in the funds and accounts, together with the investment earnings  
27 thereon, may be consolidated into one or more funds or accounts and may  
28 be pledged to the holders of revenue bonds issued to finance water projects  
29 or development projects.

30 **“SECTION 187.** ORS 285B.503 is amended to read:

1 “285B.503. (1) There is established in the State Treasury, separate and  
2 distinct from the General Fund, the Oregon Unified International Trade  
3 Fund. Interest earned by the Oregon Unified International Trade Fund shall  
4 be credited to the fund. The moneys in the fund are continuously appropri-  
5 ated to the [*Oregon Business Development Department*] **Oregon Department**  
6 **of Commerce and Trade** for the Oregon Infrastructure Finance Authority  
7 for:

8 “(a) Paying all or a portion of the costs of:

9 “(A) A project for the extension and improvement of Jackson County  
10 Airport runway.

11 “(B) A project for the extension of a natural gas pipeline to the Coos Bay  
12 and North Bend area from a location near Roseburg.

13 “(C) A project for improvements to the Klamath Falls International Air-  
14 port maintained by the City of Klamath Falls.

15 “(b) Transfer to the Oregon Port Revolving Fund created by ORS  
16 285A.708.

17 “(2) A separate account within the Oregon Unified International Trade  
18 Fund shall be established for each project listed in subsection (1) of this  
19 section.

20 “(3) The Oregon Unified International Trade Fund shall consist of moneys  
21 allocated to the fund under section 9, chapter 644, Oregon Laws 1997, and  
22 such other moneys as may be appropriated to the fund by the Legislative  
23 Assembly, including interest on such moneys.

24 “**SECTION 188.** ORS 285B.533 is amended to read:

25 “285B.533. (1) Infrastructure lottery bonds shall be issued under ORS  
26 286A.560 to 286A.585 only at the request of the Director of the [*Oregon*  
27 *Business Development Department*] **Oregon Department of Commerce and**  
28 **Trade**. Infrastructure lottery bonds may be issued in an amount sufficient  
29 to provide no more than \$6 million of net proceeds to pay costs of  
30 infrastructure projects, plus the amounts required to pay bond-related costs.

1 “(2) The net proceeds from the sale of the infrastructure lottery bonds  
2 shall be allocated to the [*Oregon Business Development Department*] **Oregon**  
3 **Department of Commerce and Trade** for the Oregon Infrastructure Fi-  
4 nance Authority for the State of Oregon’s match of federal moneys under the  
5 Safe Drinking Water Act.

6 “(3) The net proceeds from the sale of the infrastructure lottery bonds  
7 that are available to pay costs of infrastructure projects shall be credited to  
8 the Water Fund created by ORS 285B.563. All such net proceeds are appro-  
9 priated continuously to the [*Oregon Business Development Department*]  
10 **Oregon Department of Commerce and Trade** for the authority only for  
11 payment of costs of infrastructure projects described in subsection (2) of this  
12 section and for payment of bond-related costs that are allocable to  
13 infrastructure lottery bonds.

14 “(4) The authority and any municipality receiving proceeds of  
15 infrastructure lottery bonds shall, if so directed by the Oregon Department  
16 of Administrative Services, take any action specified by the Oregon Depart-  
17 ment of Administrative Services that is necessary to maintain the  
18 excludability of lottery bond interest from gross income under the United  
19 States Internal Revenue Code.

20 **“SECTION 189.** ORS 285B.551 is amended to read:

21 “285B.551. (1) Pursuant to ORS 286A.560 to 286A.585, at the request of the  
22 Oregon Department of Administrative Services, after the department consults  
23 with the [*Oregon Business Development Department*] **Oregon Department**  
24 **of Commerce and Trade**, the State Treasurer is authorized to issue lottery  
25 bonds:

26 “(a) To provide financial and other assistance, including but not limited  
27 to loans and grants, to municipalities, ports and other persons and entities  
28 in accordance with the laws governing use of moneys in the Special Public  
29 Works Fund created by ORS 285B.455, the Water Fund created by ORS  
30 285B.563, the Safe Drinking Water Revolving Loan Fund created by ORS

1 285A.213, the Oregon Port Revolving Fund created by ORS 285A.708, the  
2 Brownfields Redevelopment Fund created by ORS 285A.188, the [*Oregon*  
3 *Business Development Fund*] **Oregon Commerce and Trade Fund** created  
4 by ORS 285B.092 and the Marine Navigation Improvement Fund created by  
5 ORS 777.267.

6 “(b) To fund Oregon’s share of the costs of the Columbia River channel  
7 deepening project.

8 “(c) To fund Oregon’s share of the costs of studies and ecosystem resto-  
9 ration projects in the lower Columbia River estuary designed to improve  
10 habitat for listed endangered or threatened species of Columbia River  
11 anadromous salmonids.

12 “(2) The use of lottery bond proceeds is authorized based on the following  
13 findings:

14 “(a) The financial and other assistance to municipalities, ports and other  
15 persons and entities will assist in the establishment and expansion of busi-  
16 nesses in Oregon and in the construction, improvement and expansion of  
17 infrastructure, community and port facilities and other facilities that com-  
18 prise the physical foundation for industrial and commercial activity and  
19 provide the basic framework for continued and expanded economic opportu-  
20 nities and quality communities throughout Oregon.

21 “(b) The Columbia River channel deepening project is necessary to allow  
22 newer, larger steamships access to Oregon and Washington deep draft ports.  
23 A deeper shipping channel will allow the Columbia River to continue as a  
24 world leader in agricultural exports and as a key trade corridor for farms  
25 and businesses throughout Oregon and the region.

26 “(c) Such financial and other assistance to municipalities, ports and other  
27 persons and entities and the deepening of the Columbia River channel will  
28 therefore promote economic development within this state, and thus the use  
29 of net proceeds derived from the operation of the Oregon State Lottery to  
30 pay debt service on lottery bonds issued under this section to provide such

1 financial and other assistance to municipalities, ports and other persons and  
2 entities and to pay a portion of the costs of deepening the Columbia River  
3 channel is an authorized use of state lottery funds under section 4, Article  
4 XV of the Oregon Constitution, and ORS 461.510.

5 “(d) The current lower Columbia River estuary habitat for listed endan-  
6 gered or threatened species of Columbia River anadromous salmonids could  
7 be improved through ecosystem restoration projects. The use of the Oregon  
8 State Lottery to pay debt service on lottery bonds issued under this section  
9 to pay for studying how the estuary could be improved and to pay for  
10 ecosystem restoration projects are authorized uses of state lottery funds.

11 “(3)(a) The aggregate principal amount of lottery bonds issued pursuant  
12 to subsection (1)(a) of this section for financial and other assistance to  
13 municipalities, ports and other persons and entities may not exceed the sum  
14 of \$416,226,252 and an additional amount estimated by the State Treasurer  
15 to be necessary to pay bond-related costs. The aggregate principal amount  
16 of lottery bonds issued pursuant to subsection (1)(b) of this section for the  
17 Columbia River channel deepening project may not exceed the sum of \$17.7  
18 million and an additional amount estimated by the State Treasurer to be  
19 necessary to pay bond-related costs.

20 “(b) The Oregon Department of Administrative Services may not request  
21 the issuance of lottery bonds under subsection (1)(b) of this section until the  
22 Director of the [*Oregon Business Development Department*] **Oregon Depart-**  
23 **ment of Commerce and Trade** determines that a final environmental im-  
24 pact statement has been issued and a record of decisions has been submitted  
25 to Congress by the United States Army Corps of Engineers, Congress has  
26 authorized the Columbia River channel deepening project, and the  
27 Washington sponsors’ shares of the costs of the Columbia River channel  
28 deepening project have been committed.

29 “(4) The net proceeds of lottery bonds issued pursuant to subsection (1)(a)  
30 and (b) of this section shall be deposited in the Economic Infrastructure



1 Project Fund, which is hereby established in the State Treasury separate and  
2 distinct from the General Fund. Interest earned by the Economic  
3 Infrastructure Project Fund shall be credited to the fund. All moneys in the  
4 Economic Infrastructure Project Fund are continuously appropriated to the  
5 [*Oregon Business Development Department*] **Oregon Department of Com-**  
6 **merce and Trade** for any purpose for which moneys in the Special Public  
7 Works Fund created by ORS 285B.455 may be used, any purpose for which  
8 moneys in the Water Fund created by ORS 285B.563 may be used, any pur-  
9 pose for which moneys in the Safe Drinking Water Revolving Loan Fund  
10 created by ORS 285A.213 may be used, any purpose for which moneys in the  
11 Oregon Port Revolving Fund created by ORS 285A.708 may be used, any  
12 purpose for which moneys in the Brownfields Redevelopment Fund created  
13 by ORS 285A.188 may be used, any purpose for which moneys in the [*Oregon*  
14 *Business Development Fund*] **Oregon Commerce and Trade Fund** created  
15 by ORS 285B.092 may be used and any purpose for which moneys in the  
16 Marine Navigation Improvement Fund created by ORS 777.267 may be used.  
17 The Director of the [*Oregon Business Development Department*] **Oregon De-**  
18 **partment of Commerce and Trade** shall allocate the moneys deposited in  
19 the Economic Infrastructure Project Fund for the purposes described in this  
20 subsection in accordance with the priorities developed by the [*Oregon Busi-*  
21 *ness Development Commission*] **Oregon Commerce and Trade Commission**  
22 in accordance with ORS 285A.020. However, the director shall transfer from  
23 the Economic Infrastructure Project Fund and deposit into the Channel  
24 Deepening Account of the Marine Navigation Improvement Fund the pro-  
25 ceeds of any lottery bonds sold to finance a portion of the costs of the  
26 Columbia River channel deepening project. Upon determining the relative  
27 allocation of moneys deposited in the Economic Infrastructure Project Fund  
28 among the purposes described in this subsection, the director shall transfer  
29 from the Economic Infrastructure Project Fund, and deposit into each of the  
30 other funds described in this subsection, the amounts so allocated. Not-

1 withstanding any other provision of law governing the funds described in  
2 this subsection, the funds described in this subsection may be credited with  
3 moneys transferred from the Economic Infrastructure Project Fund by the  
4 director in accordance with this subsection.

5 “(5) The aggregate principal amount of lottery bonds issued pursuant to  
6 subsection (1)(c) of this section for the costs of studies and ecosystem resto-  
7 ration projects in the lower Columbia River estuary may not exceed the sum  
8 of \$750,000 and an additional amount estimated by the State Treasurer to be  
9 necessary to pay bond-related costs. The net proceeds of lottery bonds issued  
10 pursuant to subsection (1)(c) of this section shall be deposited in the Oregon  
11 Business, Innovation and Trade Fund created by ORS 285A.227 and may be  
12 used only for the Oregon nonfederal share of United States Army Corps of  
13 Engineers Columbia River estuary projects authorized by Congress prior to  
14 August 9, 2001. The director may not request the issuance of lottery bonds  
15 under subsection (1)(c) of this section until Congress and Washington have  
16 authorized their respective shares of the costs of the studies and ecosystem  
17 restoration projects in the lower Columbia River estuary.

18 “(6) The proceeds of lottery bonds issued pursuant to this section may be  
19 used only for the purposes set forth in this section and for bond-related costs.

20 **“SECTION 190.** ORS 285B.563 is amended to read:

21 “285B.563. (1) There is established in the State Treasury, separate and  
22 distinct from the General Fund, the Water Fund. Interest earned by the  
23 Water Fund shall be credited to the fund. All moneys in the Water Fund  
24 are continuously appropriated to the [*Oregon Business Development Depart-*  
25 *ment*] **Oregon Department of Commerce and Trade** for the Oregon  
26 Infrastructure Finance Authority for the purposes described in ORS 285B.560  
27 to 285B.599, including the direct project management costs.

28 “(2)(a) Moneys in the Water Fund may be obligated to water projects.

29 “(b) Moneys shall be used primarily to make loans to municipalities. The  
30 authority may make a loan only if:

1       “(A) The municipality applying for the loan certifies to the department  
2 that adequate funds will be available to repay the loan; and

3       “(B) The authority determines that the amount of the loan applied for is  
4 based on a reasonable and prudent expectation of the municipality’s ability  
5 to repay the loan.

6       “(c) The authority may award a grant if a loan is not feasible due to:

7       “(A) Financial hardship to the municipality, as determined by the au-  
8 thority, based on consideration of anticipated water service charges or an-  
9 ticipated waste water service charges, the per capita income of the  
10 municipality and any other factors as the department by rule may establish;  
11 and

12       “(B) Special circumstances of the water project.

13       “(d) The authority may also award grants from the fund to:

14       “(A) Identify and implement sustainable technologies and practices;

15       “(B) Build asset management capacity for municipalities;

16       “(C) Plan for strategic initiatives that focus on the regionalization of  
17 water systems; or

18       “(D) Provide third party technical assistance to communities in the de-  
19 velopment of water systems that include asset management components.

20       “(e) The authority may determine the amount of grant or loan funding  
21 on a case-by-case basis.

22       “(3) The moneys in the fund may also be used to assist the authority in  
23 selling revenue bonds on behalf of municipalities in order to carry out the  
24 purposes of ORS 285B.560 to 285B.599.

25       “(4) Moneys in the Water Fund may be invested as provided by ORS  
26 293.701 to 293.857. The earnings from the investments and other program in-  
27 come shall be credited to the Water Fund.

28       “(5) The Water Fund shall consist of:

29       “(a) Moneys appropriated to the fund by the Legislative Assembly.

30       “(b) Moneys transferred to the fund by the authority from the Special

1 Public Works Fund created by ORS 285B.455.

2 “(c) Moneys transferred to the Water Fund by the Water Resources  
3 Commission from the Water Development Fund created by Article XI-I(1) of  
4 the Oregon Constitution.

5 “(d) Moneys from any federal, state or other grants.

6 “(e) Proceeds of revenue bonds issued under ORS 285B.575.

7 “(f) Earnings on the Water Fund.

8 “(6) The authority shall administer the fund.

9 “(7) The department shall adopt rules and policies for the administration  
10 of the fund. The department shall coordinate its rulemaking regarding safe  
11 drinking water projects with the Water Resources Department and the  
12 Oregon Health Authority. The rules adopted under this subsection for safe  
13 drinking water projects shall:

14 “(a) Require the installation of meters on all new active service con-  
15 nections from any distribution lines funded with moneys from the fund or  
16 from the proceeds of revenue bonds issued under ORS 285B.572 to 285B.578.

17 “(b) Require a plan, to be adopted by a municipality receiving financial  
18 assistance from the fund, for installation of meters on all service connections  
19 throughout the drinking water system not later than two years after the  
20 completion of a safe drinking water project.

21 “(8)(a) The Oregon Infrastructure Finance Authority shall manage the  
22 Water Fund and any expenditures from accounts in the fund and transfers  
23 between accounts so that the fund provides a continuing source of financing  
24 consistent with ORS 285B.413.

25 “(b) If necessary to ensure repayment of bonds issued under ORS 285B.560  
26 to 285B.599, the authority may reduce the value of the fund when the au-  
27 thority:

28 “(A) Finds that without a reduction in fund value, bonds secured by the  
29 fund are likely to be in default; and

30 “(B) Imposes a moratorium on grants until the requirements of paragraph

1 (a) of this subsection are satisfied.

2 “(9)(a) The authority may charge administrative costs to the fund, but not  
3 to moneys segregated in the account created by subsection (11) of this sec-  
4 tion, to pay for administrative costs incurred by the authority.

5 “(b) To the extent permitted by federal law, administrative costs of the  
6 authority may be paid from bond proceeds.

7 “(10) The authority may establish other accounts within the Water Fund  
8 for the payment of water projects costs, reserves, debt service payments,  
9 credit enhancements, costs of issuing revenue bonds, administrative costs and  
10 operating expenses or any other purpose necessary to carry out ORS 285B.560  
11 to 285B.599.

12 “(11) There is created within the Water Fund a separate and distinct ac-  
13 count for the proceeds from the sale of water development general obligation  
14 bonds issued for safe drinking water projects and credited to the special ac-  
15 count under this section. Any investment earnings thereon shall be segre-  
16 gated in and continuously appropriated to a special, separately accounted for  
17 subaccount of this account. Moneys credited to this account shall be main-  
18 tained separate and distinct from moneys credited to subaccounts created  
19 under subsection (10) of this section. Notwithstanding ORS 285B.566 or  
20 subsection (4) of this section, all repayments of moneys loaned from the ac-  
21 count created by this subsection, including interest on the moneys, shall be  
22 credited to the Water Development Administration and Bond Sinking Fund  
23 created by ORS 541.830.

24 “(12) As used in this section, ‘administrative costs’ include the authority’s  
25 direct and indirect costs for investigating and processing an application, de-  
26 veloping a contract, monitoring the use of funds by a municipality, investi-  
27 gating and resolving a budget discrepancy, closing a project and providing  
28 financial and other assistance to a municipality.

29 **“SECTION 191.** ORS 285B.572 is amended to read:

30 “285B.572. (1) The Oregon Infrastructure Finance Authority shall deter-

1 mine eligibility of a water project for revenue bond financing under ORS  
2 285B.560 to 285B.599 pursuant to rules adopted by the [*Oregon Business De-*  
3 *velopment Department*] **Oregon Department of Commerce and Trade.**

4 “(2) Upon determining that a water project is eligible for revenue bond  
5 financing, the authority shall forward a description of the project to the  
6 State Treasurer. The State Treasurer shall determine whether to issue reve-  
7 nue bonds.

8 **“SECTION 192.** ORS 285B.575 is amended to read:

9 “285B.575. (1) At the request of the [*Oregon Business Development De-*  
10 *partment*] **Oregon Department of Commerce and Trade**, the State Treas-  
11 urer may issue in the name of the State of Oregon revenue bonds secured  
12 by moneys paid to the Water Fund and pledged to finance or refinance in  
13 whole or in part the cost of a water project. The revenue bonds issued under  
14 this section shall be issued in the manner prescribed by ORS chapter 286A,  
15 and refunding bonds may be issued to refinance the revenue bonds.

16 “(2) The department or the State Treasurer may appoint bond counsel as  
17 prescribed under ORS 286A.130.

18 **“SECTION 193.** ORS 285B.593 is amended to read:

19 “285B.593. Out of the moneys in the Water Fund, the Oregon  
20 Infrastructure Finance Authority may make technical assistance grants and  
21 loans to municipalities as specified by the [*Oregon Business Development*  
22 *Department*] **Oregon Department of Commerce and Trade** by rule. Tech-  
23 nical assistance grants and loans shall be for the purpose of completing  
24 preliminary planning, legal, fiscal and economic investigations, reports and  
25 studies to determine the economic and engineering feasibility of water  
26 projects.

27 **“SECTION 194.** ORS 285B.599 is amended to read:

28 “285B.599. (1) If a municipality fails to comply with a contract entered  
29 into under ORS 285B.581, the [*Oregon Business Development Department*]  
30 **Oregon Department of Commerce and Trade** may seek appropriate legal

1 remedies to secure any repayment due the Water Fund. If any municipality  
2 defaults on payments due the fund, the State of Oregon may withhold any  
3 amounts otherwise due the municipality to apply to the indebtedness. The  
4 department may waive the right to withhold moneys under this subsection.

5 “(2) Moneys withheld under subsection (1) of this section shall be depos-  
6 ited in the fund and shall be used to repay any account in the fund from  
7 which funds were expended to pay obligations upon which the municipality  
8 defaulted.

9 **“SECTION 195.** ORS 285B.602 is amended to read:

10 “285B.602. The [*Oregon Business Development Department*] **Oregon De-**  
11 **partment of Commerce and Trade** may adopt rules that the department  
12 determines are necessary to:

13 “(1) Further define the terms defined in ORS 285B.600 in a manner con-  
14 sistent with ORS 285B.600;

15 “(2) Implement the duties of the department under ORS 285B.600 to  
16 285B.620; and

17 “(3) Carry out the purposes of ORS 285B.600 to 285B.620.

18 **“SECTION 196.** ORS 285B.605 is amended to read:

19 “285B.605. (1) Subject to standards and procedures that the [*Oregon*  
20 *Business Development Department*] **Oregon Department of Commerce and**  
21 **Trade** shall establish by rule, the department shall certify eligible employers  
22 to participate in the Oregon Business Retention and Expansion Program es-  
23 tablished in ORS 285B.615. The department may establish certification stan-  
24 dards regarding:

25 “(a) Employers maintaining certain levels of payroll or per-employee  
26 compensation including benefits;

27 “(b) Employers consulting with vendors in this state before entering into  
28 contracts;

29 “(c) Eligible employers not laying off current employees in order to  
30 achieve hiring goals;

1 “(d) Specifying the types and amounts of employer expenses that are the  
2 reasonable costs of financing, developing, furnishing and operating a facility  
3 to be used by the certified employer in the course of business under ORS  
4 285B.615; and

5 “(e) Verifying that an employer is an eligible employer.

6 “(2) The department must approve or deny an application submitted under  
7 ORS 285B.608 within 120 days after the date a complete application is filed.

8 **“SECTION 197.** ORS 285B.608 is amended to read:

9 “285B.608. (1) An employer may apply to the [*Oregon Business Develop-*  
10 *ment Department*] **Oregon Department of Commerce and Trade** for certi-  
11 fication under ORS 285B.605.

12 “(2) The application shall be made in writing in a form prescribed by the  
13 department.

14 “(3) The application must include a verified statement by the employer  
15 that the employer would not plan on hiring 50 or more new full-time em-  
16 ployees in this state but for the availability of the loans provided by the  
17 Oregon Business Retention and Expansion Program established under ORS  
18 285B.615.

19 **“SECTION 198.** ORS 285B.610 is amended to read:

20 “285B.610. (1) The [*Oregon Business Development Department*] **Oregon**  
21 **Department of Commerce and Trade** may revoke a certificate issued un-  
22 der ORS 285B.605 if the department finds that:

23 “(a) The certificate was obtained by fraud or misrepresentation; or

24 “(b) The certified employer fails to meet the requirements of ORS  
25 285B.605.

26 “(2) If the certificate is revoked pursuant to subsection (1) of this section,  
27 the department shall proceed to recoup any loan moneys disbursed to the  
28 employer pursuant to ORS 285B.615.

29 **“SECTION 199.** ORS 285B.615 is amended to read:

30 “285B.615. (1) In consultation with the Department of Revenue, the



1 [*Oregon Business Development Department*] **Oregon Department of Com-**  
2 **merce and Trade** shall establish and administer the Oregon Business Re-  
3 tention and Expansion Program. The purpose of the program is to provide  
4 forgivable loans to certified employers to allow for expanded operations and  
5 increased hiring.

6 “(2) The [*Oregon Business Development Department*] **Oregon Department**  
7 **of Commerce and Trade** shall enter into agreements with certified em-  
8 ployers. Agreements must contain:

9 “(a) Detailed performance measures, established by the department by  
10 rule, with which certified employers must comply; and

11 “(b) The requirement that the certified employer pay to the [*Oregon*  
12 *Business Development Department*] **Oregon Department of Commerce and**  
13 **Trade** the amount of any loan made under this section where the certified  
14 employer did not meet established performance measures.

15 “(3) The total loan amount distributed to a certified employer under this  
16 section may not exceed the total amount of the estimated incremental  
17 Oregon Business Retention and Expansion Program tax revenues for the  
18 certified employer.

19 “(4) Moneys loaned under this section must be distributed to the certified  
20 employer no later than 120 days following certification under ORS 285B.605.

21 **“SECTION 200.** ORS 285B.618 is amended to read:

22 “285B.618. The Director of the [*Oregon Business Development*  
23 *Department*] **Oregon Department of Commerce and Trade**, in consultation  
24 with the Director of the Department of Revenue, shall:

25 “(1) Specify the methodology for estimating incremental Oregon Business  
26 Retention and Expansion Program tax revenues; and

27 “(2) Estimate incremental Oregon Business Retention and Expansion  
28 Program tax revenues.

29 **“SECTION 201.** ORS 285B.620 is amended to read:

30 “285B.620. The Oregon Business Retention and Expansion Program Fund

1 is established in the State Treasury, separate and distinct from the General  
2 Fund. The Oregon Business Retention and Expansion Program Fund consists  
3 of amounts deposited in the fund as required by section 9, chapter 549,  
4 Oregon Laws 2011, and other moneys transferred to the fund. Amounts in the  
5 fund are continuously appropriated to the [*Oregon Business Development*  
6 *Department*] **Oregon Department of Commerce and Trade** for the pur-  
7 poses of making the loans provided by the agreements entered into under  
8 ORS 285B.615 and paying the costs and expenses of the [*Oregon Business*  
9 *Development Department*] **Oregon Department of Commerce and Trade** in  
10 connection with the implementation and administration of ORS 285B.600 to  
11 285B.620.

12 **“SECTION 202.** ORS 285B.622 is amended to read:

13 “285B.622. (1) The [*Oregon Business Development Department*] **Oregon**  
14 **Department of Commerce and Trade** may transfer moneys credited to the  
15 Strategic Reserve Fund created under ORS 285B.266 to the Oregon Business  
16 Retention and Expansion Program Fund established under ORS 285B.620, to  
17 be used for the purpose of making the loans provided by the agreements en-  
18 tered into under ORS 285B.615, and in accordance with the provisions of ORS  
19 285B.600 to 285B.620.

20 “(2) Unless approved by the Joint Committee on Ways and Means or, if  
21 the Legislative Assembly is not in session, the Emergency Board, adminis-  
22 trative expenses of the [*Oregon Business Development Department*] **Oregon**  
23 **Department of Commerce and Trade** incurred in connection with the im-  
24 plementation and administration of ORS 285B.600 to 285B.620 may not be  
25 paid from funds transferred pursuant to this section. Expenses that are  
26 project-related are not considered to be administrative expenses of the de-  
27 partment.

28 **“SECTION 203.** ORS 285B.626, as amended by section 10, chapter 52,  
29 Oregon Laws 2024, is amended to read:

30 “285B.626. As used in ORS 285B.625 to 285B.632:

1 “(1) ‘Eligible employer’ means an employer that:  
2 “(a) Is conducting a traded sector business on a regionally significant  
3 industrial site; and  
4 “(b)(A) With respect to the employer’s establishment at a rural site, has  
5 increased average annual employment by at least 25 jobs and has an average  
6 annual wage of at least 150 percent of the county or state average wage,  
7 whichever is less; or  
8 “(B) With respect to the employer’s establishment at an urban site, has  
9 increased average annual employment by at least 50 jobs and has an average  
10 annual wage of at least 150 percent of the county or state average wage,  
11 whichever is less.  
12 “(2) ‘Estimated incremental income tax revenues’ means the Oregon per-  
13 sonal income tax revenues that are equivalent to the amount of tax that  
14 employees of an eligible employer who are hired by the eligible employer on  
15 a designated regionally significant industrial site have paid under ORS  
16 chapter 316 in the tax years following the first tax year in which the eligible  
17 employer begins conducting a traded sector business on the designated re-  
18 gionally significant industrial site.  
19 “(3) ‘Industrial use’ means employment activities, including but not lim-  
20 ited to manufacturing, assembly, fabrication, processing, storage, logistics,  
21 warehousing, importation, distribution, transshipment and research and de-  
22 velopment, that generate income from the production, handling or distrib-  
23 ution of goods or services, including goods or services in the traded sector.  
24 “(4) ‘Project sponsor’ means:  
25 “(a) A public owner of a regionally significant industrial site that is in-  
26 vesting in preparation of the site for industrial use by a third party; or  
27 “(b) A public entity that has entered into a development or other agree-  
28 ment with the private owner of a regionally significant industrial site to  
29 prepare the site for industrial use.  
30 “(5) ‘Regionally significant industrial site’ means a site planned and zoned

1 for industrial use that:

2 “(a)(A) Is suitable for the location of new industrial uses or the expansion  
3 of existing industrial uses and that can provide significant additional em-  
4 ployment in the region;

5 “(B) Has site characteristics that provide significant competitive advan-  
6 tages that are difficult or impossible to replicate in the region; and

7 “(C) Has superior access to transportation and freight infrastructure, in-  
8 cluding but not limited to rail, port, airport, multimodal freight or trans-  
9 shipment facilities and other major transportation facilities or routes; or

10 “(b) Is located in an area designated by Metro, as defined in ORS 197.015,  
11 as a regionally significant industrial area.

12 “(6) ‘Rural site’ means a regionally significant industrial site located in  
13 an area outside of a metropolitan statistical area, as defined by the most  
14 recent federal decennial census.

15 “(7) ‘Traded sector’ has the meaning given that term in ORS 285A.010.

16 “(8) ‘Urban site’ means a regionally significant industrial site located in  
17 a metropolitan statistical area, as defined by the most recent federal  
18 decennial census, that is located inside a regional or metropolitan urban  
19 growth boundary.

20 “(9) ‘Wage’ has the meaning given that term pursuant to rules adopted  
21 by the [*Oregon Business Development Department*] **Oregon Department of**  
22 **Commerce and Trade**.

23 “**SECTION 204.** ORS 285B.627, as amended by section 9, chapter 52,  
24 Oregon Laws 2024, is amended to read:

25 “285B.627. (1) In consultation with the Department of Revenue, the  
26 [*Oregon Business Development Department*] **Oregon Department of Com-**  
27 **merce and Trade** shall establish and administer the Oregon Industrial Site  
28 Readiness Program. The purpose of the program is to:

29 “(a) Enter into tax reimbursement arrangements with qualified project  
30 sponsors pursuant to subsection (5) of this section; or

1 “(b) Provide loans, including forgivable loans, to qualified project spon-  
2 sors pursuant to subsection (5) of this section.

3 “(2)(a) Subject to standards and procedures that the [*Oregon Business*  
4 *Development Department*] **Oregon Department of Commerce and Trade**  
5 shall establish by rule, the department shall designate regionally significant  
6 industrial sites for inclusion in the program.

7 “(b) A regionally significant industrial site designated under this section  
8 must be an industrial site that is planned and zoned for industrial use.

9 “(3) A project sponsor may apply to participate in the program by sub-  
10 mitting an application and development plan in writing in a form prescribed  
11 by the department by rule.

12 “(4) The department shall establish by rule criteria and standards for the  
13 qualification of project sponsors to participate in the program.

14 “(5) Upon qualification of a project sponsor under this section, and before  
15 December 31, 2029, the department may:

16 “(a) Enter into a tax reimbursement arrangement with the project sponsor  
17 pursuant to which the project sponsor shall receive an amount equal to 50  
18 percent of the estimated incremental income tax revenues generated by an  
19 eligible employer per tax year, beginning with the first tax year following  
20 the tax year in which a project sponsor is qualified under this section, until  
21 the total investment of the qualified project sponsor in the eligible site  
22 preparation costs, including interest, established under subsection (7) of this  
23 section has been recovered, at which time the tax reimbursement arrange-  
24 ment shall end; or

25 “(b) Enter into a loan agreement with the project sponsor under terms  
26 and conditions specified and required by the department. In making a deter-  
27 mination to enter into a loan agreement with the project sponsor, the de-  
28 partment shall consider the reasonableness of the project sponsor’s estimated  
29 costs to prepare the site for industrial use, including but not limited to eli-  
30 gible site preparation costs established by the department pursuant to sub-

1 section (7) of this section. The agreement may specify that a portion of the  
2 loan may be forgiven if the project sponsor enters into a contract with an  
3 eligible employer to conduct a business in the traded sector industry on a  
4 regionally significant industrial site within seven years after the project  
5 sponsor was qualified under this section.

6 “(6)(a) The total amount of the loan that may be forgiven under sub-  
7 section (5) of this section is the lesser of:

8 “(A) Fifty percent of the total cost of eligible site preparation costs; or

9 “(B) Fifty percent of the amount of the estimated incremental income tax  
10 revenues for the eligible employer for the term of the loan.

11 “(b) Loan forgiveness may not be allowed under subsection (5) of this  
12 section if any portion of the loan that would not be forgiven would be repaid  
13 by the project sponsor with state funds received from any source.

14 “(7) The department shall establish, by rule, eligible site preparation costs  
15 including, but not limited to, some or all of the following:

16 “(a) Acquisition and assembly costs associated with creating large devel-  
17 opment parcels.

18 “(b) Transportation improvements such as access roads, intersections,  
19 turning lanes, signals, sidewalks, curbs, transit stops and storm drains.

20 “(c) Water and sewer infrastructure.

21 “(d) Natural resource mitigation.

22 “(e) Site grading activities.

23 “(f) Environmental remediation and mitigation activities to address  
24 brownfields issues in accordance with state and federally approved remedi-  
25 ation plans.

26 “(g) Planning, engineering and administrative costs associated with ap-  
27 plying for necessary local, state and federal permits.

28 “(h) Interest-carrying costs incurred by a project sponsor for amounts  
29 borrowed to develop a regionally significant industrial site, not to exceed 20  
30 percent of the total amount forgiven, if any, under subsection (5) of this

1 section.

2 “(8) The total amount of tax reimbursement arrangements authorized un-  
3 der this section may not exceed \$10 million per year.

4 “(9) Funds received pursuant to a tax reimbursement arrangement or a  
5 loan agreement under subsection (5) of this section may not be used for the  
6 payment of:

7 “(a) A penalty or fine; or

8 “(b) Environmental remediation activities conducted at a regionally sig-  
9 nificant industrial site that is listed or proposed to be listed as a national  
10 priority pursuant to the Comprehensive Environmental Response, Compens-  
11 ation, and Liability Act of 1980 (42 U.S.C. 9605) for which the project  
12 sponsor, eligible employer or any party to the tax reimbursement arrange-  
13 ment or loan agreement is liable under 42 U.S.C. 9607 at that regionally  
14 significant industrial site.

15 “(10) The department shall adopt rules to administer and implement the  
16 provisions of this section.

17 **“SECTION 205.** ORS 285B.630 is amended to read:

18 “285B.630. (1) On or before April 1 of each tax year following the first tax  
19 year in which an employee of an eligible employer on a regionally significant  
20 industrial site designated under ORS 285B.627 will be required to pay per-  
21 sonal income taxes under ORS chapter 316, the [*Oregon Business Develop-*  
22 *ment Department*] **Oregon Department of Commerce and Trade** shall  
23 obtain employment and wage information for the eligible employer at the  
24 regionally significant industrial site.

25 “(2) After obtaining the employment and wage information described in  
26 subsection (1) of this section, the [*Oregon Business Development*  
27 *Department*] **Oregon Department of Commerce and Trade** shall determine  
28 the annual amount of estimated incremental income tax revenues generated  
29 by an eligible employer per tax year.

30 “(3) In determining the amount of estimated incremental income tax rev-

1 enues generated by an eligible employer under this section, the [*Oregon*  
2 *Business Development Department*] **Oregon Department of Commerce and**  
3 **Trade** may rely on reasonable techniques of estimation, if appropriate.

4 “(4) Not later than May 15 of each year, the [*Oregon Business Develop-*  
5 *ment Department*] **Oregon Department of Commerce and Trade** shall re-  
6 quest that the Oregon Department of Administrative Services certify the  
7 amounts determined under subsection (2) of this section to the Department  
8 of Revenue, the Legislative Revenue Officer and the Legislative Fiscal Offi-  
9 cer.

10 “(5) Not later than June 15 of each year, after receiving the certification  
11 under subsection (4) of this section, the Department of Revenue shall transfer  
12 to the Oregon Industrial Site Readiness Program Fund established in ORS  
13 285B.632 an amount equal to 50 percent of the amount of estimated incre-  
14 mental income tax revenues certified under subsection (4) of this section, not  
15 to exceed the amount of eligible site preparation costs, including interest,  
16 established under ORS 285B.627 (7).

17 “(6) The Department of Revenue shall retain unreceipted revenue from the  
18 tax imposed under ORS chapter 316 in an amount necessary to make the  
19 transfers required under subsection (5) of this section. The department shall  
20 make the transfers out of the unreceipted revenue in lieu of paying the rev-  
21 enue over to the State Treasurer for deposit in the General Fund.

22 “(7) The [*Oregon Business Development Department*] **Oregon Department**  
23 **of Commerce and Trade** shall adopt rules necessary to administer this  
24 section. The Department of Revenue may adopt rules necessary to administer  
25 this section.

26 “**SECTION 206.** ORS 285B.632 is amended to read:

27 “285B.632. The Oregon Industrial Site Readiness Program Fund is estab-  
28 lished in the State Treasury, separate and distinct from the General Fund.  
29 The Oregon Industrial Site Readiness Program Fund consists of amounts  
30 deposited in the fund and other moneys transferred to the fund, including



1 but not limited to moneys transferred by the Department of Revenue to the  
2 fund under ORS 285B.630. Amounts in the fund are continuously appropri-  
3 ated to the [*Oregon Business Development Department*] **Oregon Department**  
4 **of Commerce and Trade** for the purposes of entering into tax reimburse-  
5 ment arrangements and making loans under ORS 285B.627 and paying the  
6 costs and expenses of the [*Oregon Business Development Department*] **Oregon**  
7 **Department of Commerce and Trade** in connection with the implementa-  
8 tion and administration of ORS 285B.625 to 285B.632.

9 **“SECTION 207.** ORS 285B.637 is amended to read:

10 “285B.637. (1) The [*Oregon Business Development Department*] **Oregon**  
11 **Department of Commerce and Trade** shall establish and administer the  
12 Oregon Industrial Site Readiness Assessment Program. The purpose of the  
13 program is to provide grants on a competitive basis from funds that are  
14 available in the Oregon Industrial Site Readiness Assessment Program Fund  
15 established in ORS 285B.640, to:

16 “(a) Public owners of regionally significant industrial sites or public en-  
17 tities that have entered into development agreements or other agreements  
18 with private owners with respect to regionally significant industrial sites,  
19 to perform due diligence assessments, define development-related constraints  
20 and create detailed development plans to move the site toward a state of  
21 market-readiness; and

22 “(b) Public owners of regionally significant industrial sites or public en-  
23 tities that have entered into development agreements or other agreements  
24 with private owners with respect to regionally significant industrial sites,  
25 acting on behalf of regions for the purposes of performing regional industrial  
26 land inventories and prioritizing sites for due diligence assessment and site  
27 preparation assistance.

28 “(2) In each fiscal year of a biennium:

29 “(a) Eighty percent of all moneys available for making grants under this  
30 section is reserved for grants to be made pursuant to subsection (1)(a) of this

1 section; and

2 “(b) Twenty percent of all moneys available for making grants under this  
3 section is reserved for grants to be made pursuant to subsection (1)(b) of this  
4 section.

5 “(3) The department may prioritize grants to be made under this section  
6 based on established targets for regional allocations.

7 “(4) Public owners of regionally significant industrial sites or public en-  
8 tities that have entered into development agreements or other agreements  
9 with private owners with respect to regionally significant industrial sites  
10 may apply to participate in the program by submitting an application in  
11 writing in a form prescribed by the department by rule.

12 “(5) The department shall establish by rule criteria and standards for  
13 successful applicants under the program. At a minimum, the applicant must  
14 demonstrate that:

15 “(a) For grants made under subsection (1)(a) of this section:

16 “(A) The applicant has obtained a willing property owner;

17 “(B) The applicant has received the support of the region in which the  
18 regionally significant industrial site is located, or the regionally significant  
19 industrial site is located in an area that has been designated a regionally  
20 significant industrial area as defined in ORS 197.722;

21 “(C) The regionally significant industrial site is not currently market-  
22 ready and has not been certified by the department as ready for development  
23 within six months or less as of the date on which the application is submit-  
24 ted; and

25 “(D) The applicant can provide matching funds in an amount to be de-  
26 termined by the department.

27 “(b) For grants made under subsection (1)(b) of this section:

28 “(A) The applicant is committed and has the ability to perform regional  
29 industrial land inventories for a specific region;

30 “(B) The applicant is committed and has the ability to prioritize re-

1 gionally significant industrial sites in a region for due diligence assessment  
2 and site preparation funding; and

3 “(C) The applicant can provide matching funds in an amount to be de-  
4 termined by the department.

5 “(6) Grants made under subsection (1)(a) of this section may not exceed  
6 \$100,000 per site. Grants made under subsection (1)(b) of this section may not  
7 exceed \$50,000 per region.

8 **“SECTION 208.** ORS 285B.640 is amended to read:

9 “285B.640. The Oregon Industrial Site Readiness Assessment Program  
10 Fund is established in the State Treasury, separate and distinct from the  
11 General Fund. The Oregon Industrial Site Readiness Assessment Program  
12 Fund consists of moneys appropriated, allocated, deposited or transferred to  
13 the fund by the Legislative Assembly and interest earned on moneys in the  
14 fund. Amounts in the fund are continuously appropriated to the [*Oregon*  
15 *Business Development Department*] **Oregon Department of Commerce and**  
16 **Trade** for the purposes of making grants under ORS 285B.637 and to imple-  
17 ment and administer ORS 285B.635 to 285B.640. Interest earned on the fund  
18 shall be deposited into the fund.

19 **“SECTION 209.** ORS 285B.655 is amended to read:

20 “285B.655. (1) The [*Oregon Business Development Department*] **Oregon**  
21 **Department of Commerce and Trade** shall distribute moneys in the  
22 Oregon Rural Capacity Fund established under ORS 285B.676 to provide re-  
23 sources to Oregon’s Economic Development Districts for the purposes of as-  
24 sisting rural jurisdictions to learn about, successfully apply for and  
25 administer grants and other forms of funding available from any public or  
26 private source. The rural jurisdictions shall use such resources solely to at-  
27 tain the staffing and financial and technical capacity necessary to carry out  
28 proactive strategies for workforce, infrastructure, economic and community  
29 development in the rural jurisdictions.

30 “(2) The district association shall assist, or provide for assistance to, ru-

1 ral jurisdictions by means that include, but are not limited to:

2 “(a) Outreach to the rural jurisdictions about grants and other forms of  
3 funding;

4 “(b) Employment of grant writers or grant administrators to directly as-  
5 sist the rural jurisdictions in applying for grants and other forms of funding;

6 “(c) Direct assistance in administering grants awarded to the rural juris-  
7 ditions; and

8 “(d) Working with state agencies to coordinate investments in water and  
9 sewer systems, roads and other elements of basic infrastructure needed in  
10 cities in rural areas.

11 **“SECTION 210.** ORS 285B.660 is amended to read:

12 “285B.660. The [*Oregon Business Development Department*] **Oregon De-**  
13 **partment of Commerce and Trade** shall:

14 “(1) Develop the policy guiding the implementation of ORS 285B.651 to  
15 285B.676.

16 “(2) Communicate the policy and the purposes set forth in ORS 285B.655  
17 to underserved rural jurisdictions.

18 “(3) Determine the amount of moneys available for distribution to  
19 Oregon’s Economic Development Districts under ORS 285B.655.

20 “(4) Consult and coordinate with the district association on the distrib-  
21 ution of moneys under ORS 285B.655. When consulting with the district as-  
22 sociation on the use of moneys, the department and the district association  
23 shall consider:

24 “(a) Which rural jurisdictions are most in need of the assistance provided  
25 under ORS 285B.651 to 285B.676; and

26 “(b) The geographical balance of the distributions and assistance.

27 “(5) Work with the district association to determine the number and lo-  
28 cation of the grant writers and rural capacity builders to be hired with the  
29 moneys distributed.

30 “(6) Make the distributions under ORS 285B.655 in accordance with the

1 policy and priorities developed under this section from moneys in the Oregon  
2 Rural Capacity Fund established under ORS 285B.676.

3 “(7) Oversee the rural grant services provided under ORS 285B.651 to  
4 285B.676.

5 “(8) Periodically consult with the League of Oregon Cities, the Associ-  
6 ation of Oregon Counties, the Oregon School Boards Association and the  
7 Special Districts Association of Oregon on the implementation of ORS  
8 285B.651 to 285B.676.

9 **“SECTION 211.** ORS 285B.664 is amended to read:

10 “285B.664. (1) This section applies to a member district that receives  
11 moneys pursuant to ORS 285B.655.

12 “(2)(a) The member district shall expend the moneys solely to provide  
13 grant writing, grant administration, rural grant and rural capacity building  
14 services to rural jurisdictions for the purposes set forth in ORS 285B.655.

15 “(b) The moneys received by the member district, and the activities of the  
16 member district in expending the moneys, shall supplement and may not  
17 supplant the resources and activities of the member district.

18 “(c) The member district may not use moneys received pursuant to ORS  
19 285B.655 to apply for grants for purposes unrelated to the purposes set forth  
20 in ORS 285B.655.

21 “(d) For purposes of a member district’s assistance to rural jurisdictions  
22 under this section, the [*Oregon Business Development Department*] **Oregon**  
23 **Department of Commerce and Trade** may enter into an agreement with  
24 a regional solutions advisory committee appointed pursuant to ORS 284.754  
25 for a region in which the member district is located in order to coordinate  
26 the activities of the member district, including the use of the moneys dis-  
27 tributed to the member district, and the regional solutions team for the re-  
28 gion.

29 “(e) The member district shall manage, document and submit quarterly  
30 reports to the department about the assistance the member district provides

1 to rural jurisdictions under this section. The reports shall contain at a  
2 minimum all applicable information required under ORS 285B.670 (2).

3 “(3)(a) The member district may hire an individual under this section as  
4 an employee or an independent contractor.

5 “(b) The member district may assign individuals hired under this section  
6 to provide the services described in subsection (2)(a) of this section to more  
7 than one rural jurisdiction.

8 **“SECTION 212.** ORS 285B.670 is amended to read:

9 “285B.670. (1) Not later than September 15 of each year, the [*Oregon*  
10 *Business Development Department*] **Oregon Department of Commerce and**  
11 **Trade** shall provide a brief report, in the manner required under ORS  
12 192.245, to the interim committees of the Legislative Assembly related to  
13 economic development, that describes the activities that Oregon’s Economic  
14 Development Districts engaged in for the previous 12-month period under  
15 ORS 285B.651 to 285B.676 and the results of those activities.

16 “(2) At a minimum, the report required under this section shall identify:

17 “(a) The rural jurisdictions that requested assistance funded by the dis-  
18 trict association;

19 “(b) The rural jurisdictions that received such assistance;

20 “(c) The populations served by the rural jurisdictions that requested as-  
21 sistance funded by the district association;

22 “(d) The populations served by the rural jurisdictions that received such  
23 assistance;

24 “(e) The number of funding opportunities, and the dollar amount of pri-  
25 vate and public funds, separately stated, that the rural jurisdictions applied  
26 for with assistance funded by the district association;

27 “(f) The number of funding opportunities from which the rural jurisdic-  
28 tions received funding with such assistance, and the dollar amount of private  
29 and public funding so received, separately stated;

30 “(g) The multiplier effects of grants and other forms of funding received

1 by the rural jurisdictions with assistance funded by the district association;  
2 “(h) The expected effect of grants and other forms of funding received by  
3 the rural jurisdictions with assistance funded by the district association on  
4 the timing of the commencement and completion of projects;

5 “(i) The number of jobs created by rural jurisdictions that received as-  
6 sistance under ORS 285B.651 to 285B.676;

7 “(j) The return on investment of moneys distributed to member districts  
8 under ORS 285B.655; and

9 “(k) Any other information the department considers important to include  
10 in the report.

11 **“SECTION 213.** ORS 285B.676 is amended to read:

12 “285B.676. (1) The Oregon Rural Capacity Fund is established in the State  
13 Treasury, separate and distinct from the General Fund. Interest earned by  
14 the Oregon Rural Capacity Fund shall be credited to the fund.

15 “(2) Moneys in the fund consist of:

16 “(a) Amounts appropriated or otherwise transferred or credited to the  
17 fund by the Legislative Assembly;

18 “(b) Moneys from the federal government, state agencies or local govern-  
19 ments transferred or otherwise credited to the fund;

20 “(c) Amounts donated or otherwise given to the fund;

21 “(d) Earnings received on moneys in the fund; and

22 “(e) Other amounts from any source transferred or otherwise credited to  
23 the fund.

24 “(3)(a) Moneys in the fund are continuously appropriated to the [*Oregon*  
25 *Business Development Department*] **Oregon Department of Commerce and**  
26 **Trade** for the purpose of making the expenditures set forth in this sub-  
27 section.

28 “(b) The department may retain an amount equal to five percent of mon-  
29 eys appropriated or otherwise transferred or credited to the fund to pay the  
30 for the administrative and operational expenses of department under ORS

1 285B.651 to 285B.676.

2 “(c) The department shall distribute the balance of the moneys in ac-  
3 cordance with ORS 285B.655.

4 **“SECTION 214.** ORS 285B.740 is amended to read:

5 “285B.740. It is the intent of the Legislative Assembly that in the admin-  
6 istration of ORS 285B.740 to 285B.758, the [*Oregon Business Development*  
7 *Department*] **Oregon Department of Commerce and Trade** work closely  
8 with regional economic development organizations, community development  
9 corporations, small business development centers and organizations that  
10 promote and assist minority-owned businesses, woman-owned businesses,  
11 veteran-owned businesses and emerging small businesses, as those terms are  
12 defined in ORS 200.005, and utilize policies, priorities and practices that  
13 further entrepreneurial and small business development in rural communi-  
14 ties. The department, to the maximum extent feasible and consistent with  
15 prudent financial controls, may delegate the administration and operation  
16 of the loan program created by ORS 285B.740 to 285B.758 to local and  
17 community-based entities. To carry out the policy described in this section:

18 “(1) The department may contract with any nonprofit corporation or  
19 agency with experience and expertise in business finance to administer all  
20 or any part of the loan program created by ORS 285B.740 to 285B.758.

21 “(2) When entering into an agreement for the administration of the loan  
22 program by any nonprofit corporation or agency, the department may agree  
23 to waive any claims it may have against such corporation or agency for  
24 losses arising out of the normal course of business, as long as the corpo-  
25 ration or agency does not act negligently or fraudulently in providing loans  
26 under ORS 285B.740 to 285B.758.

27 “(3) When entering into an agreement to have a nonprofit corporation or  
28 agency administer the loan program created by ORS 285B.740 to 285B.758, the  
29 department may pay loan origination and loan servicing fees to the corpo-  
30 ration or agency. The amount of such fees may be determined in the agree-



1 ment between the department and the administering corporation or agency.

2 **“SECTION 215.** ORS 285B.743 is amended to read:

3 “285B.743. (1) Any individual or business firm may file with the [*Oregon*  
4 *Business Development Department*] **Oregon Department of Commerce and**  
5 **Trade** an application to borrow money from the Oregon Entrepreneurial  
6 Development Loan Fund as provided in ORS 285B.740 to 285B.758. The ap-  
7 plication shall be filed in such a manner and contain or be accompanied by  
8 such information as the department may require.

9 “(2) Upon receipt of an application under this section, the department  
10 shall determine whether the applicant is eligible to receive a loan under ORS  
11 285B.740 to 285B.758. The department may adopt rules for processing appli-  
12 cations from applicants that are not eligible to receive a loan under this  
13 section.

14 **“SECTION 216.** ORS 285B.746 is amended to read:

15 “285B.746. (1) The [*Oregon Business Development Department*] **Oregon**  
16 **Department of Commerce and Trade** may approve a loan requested in an  
17 application filed under ORS 285B.743 if, after investigation, it finds that:

18 “(a) The applicant is enrolled in a small business management program  
19 with a small business development center or certified entity;

20 “(b) The applicant has prepared a business plan for the business, which  
21 has been reviewed by a small business development center or other entity  
22 certified by the department to review business plans; and

23 “(c) The applicant is not effectively owned or controlled by another  
24 business entity or other person that, either by itself or when combined with  
25 the applicant, is not eligible for a loan under ORS 285B.740 to 285B.758.

26 “(2) In addition to the requirements for loan approval described in sub-  
27 section (1) of this section, in order to obtain a loan under ORS 285B.740 to  
28 285B.758, an applicant must also satisfy one of the following conditions:

29 “(a) In the 12-month period immediately preceding the date of application,  
30 the business may not have had annual revenues that exceeded \$1.5 million;

1 “(b) At the time of application, the business must have fewer than 25  
2 employees;

3 “(c) The business or proposed business must be owned, in whole or in  
4 part, by a person certified as having a severe disability by the Department  
5 of Human Services or the Commission for the Blind; or

6 “(d) The applicant must submit proof to the [*Oregon Business Development*  
7 *Department*] **Oregon Department of Commerce and Trade** that the appli-  
8 cant is a veteran who:

9 “(A) Has a United States Department of Veterans Affairs total disability  
10 rating of at least 70 percent as a result of an injury or illness that the vet-  
11 eran incurred, or that was aggravated, during active military service; and

12 “(B) Received a discharge or release under other than dishonorable con-  
13 ditions.

14 **“SECTION 217.** ORS 285B.749 is amended to read:

15 “285B.749. (1) The [*Oregon Business Development Department*] **Oregon**  
16 **Department of Commerce and Trade** may approve an entrepreneurial de-  
17 velopment loan under ORS 285B.740 to 285B.758 if, after investigation, it  
18 finds that:

19 “(a) The loan has a reasonable prospect of repayment from cash flow and  
20 collateral and is secured by good and sufficient collateral; and

21 “(b) The applicant provides equity funds for the project in the form of  
22 cash or property in an amount equal to or greater than:

23 “(A) Fifteen percent of the amount of the project proceeds used for  
24 working capital and equipment; or

25 “(B) Ten percent of the amount of the project proceeds used to acquire  
26 real property.

27 “(2) The department shall determine the amount of the initial loan and  
28 any subsequent loan to a borrower from the Oregon Entrepreneurial Devel-  
29 opment Loan Fund. The total of all loans to any borrower from the fund may  
30 not exceed \$1 million.

1 “(3) Entrepreneurial development loans shall be made for a term that does  
2 not exceed 10 years at a rate of interest that does not exceed 18 percent per  
3 annum.

4 **“SECTION 218.** ORS 285B.753 is amended to read:

5 “285B.753. (1) Beginning with the 2023 calendar year, the [*Oregon Busi-*  
6 *ness Development Department*] **Oregon Department of Commerce and**  
7 **Trade** shall annually adjust the annual revenue limit amount specified in  
8 ORS 285B.746 (2)(a) and the total loan limit amount specified in ORS  
9 285B.749 (2) by multiplying each amount by the percentage change in the  
10 monthly averaged Consumer Price Index for All Urban Consumers, West  
11 Region (All Items), as published by the Bureau of Labor Statistics of the  
12 United States Department of Labor, for the 12 consecutive months ending  
13 on the immediately preceding December 31 compared to the monthly aver-  
14 aged Consumer Price Index for All Urban Consumers, West Region (All  
15 Items), for the 12 consecutive months ending on December 31, 2021.

16 “(2) Notwithstanding subsection (1) of this section:

17 “(a) The adjusted annual revenue limit amount specified in ORS 285B.746  
18 (2)(a) may not be less than \$1.5 million.

19 “(b) The adjusted total loan limit amount specified in ORS 285B.749 (2)  
20 may not be less than \$1 million.

21 **“SECTION 219.** ORS 285B.758 is amended to read:

22 “285B.758. (1) There is established in the State Treasury, separate and  
23 distinct from the General Fund, the Oregon Entrepreneurial Development  
24 Loan Fund. All moneys in the fund are continuously appropriated to the  
25 [*Oregon Business Development Department*] **Oregon Department of Com-**  
26 **merce and Trade** for the following purposes:

27 “(a) Administrative costs of the department incurred in processing loan  
28 applications, investigating the eligibility of loan applicants and servicing  
29 outstanding loans;

30 “(b) Paying for loan origination and loan servicing by contractors under

1 ORS 285B.740 to 285B.758; and

2 “(c) Payment of loans to applicants under ORS 285B.740 to 285B.758.

3 “(2) The Oregon Entrepreneurial Development Loan Fund shall consist  
4 of:

5 “(a) Moneys appropriated to the fund by the Legislative Assembly;

6 “(b) Interest earned on moneys in the fund; and

7 “(c) Moneys received as repayment of principal and interest on loans  
8 made from the fund under ORS 285B.740 to 285B.758.

9 **“SECTION 220.** ORS 285B.761 is amended to read:

10 “285B.761. (1) The [*Oregon Business Development Department*] **Oregon**  
11 **Department of Commerce and Trade** shall develop and implement an  
12 Economic Equity Investment Program under which the department shall  
13 award grants to organizations that provide culturally responsive services to  
14 support economic stability, self-sufficiency, wealth building and economic  
15 equity among disadvantaged individuals, families, businesses and communi-  
16 ties in this state.

17 “(2)(a) The department shall prescribe the form and manner in which an  
18 organization may apply for a grant under the program.

19 “(b) An organization’s application must demonstrate a proven ability to  
20 provide services as described in subsection (3) of this section.

21 “(3) Grant moneys shall be awarded to organizations only for proposals  
22 to provide outreach, support and resources to individuals, families, busi-  
23 nesses or communities whose future is at risk because of any combination  
24 of two or more economic equity risk factors in order to improve economic  
25 equity as measured by:

26 “(a) Ownership of land, principal residences and other real property;

27 “(b) Entrepreneurship;

28 “(c) Business development;

29 “(d) Workforce development; and

30 “(e) Intergenerational wealth building, such as savings, investments and

1 real property equity.

2 “(4) Upon request, the department shall provide technical assistance to  
3 organizations that receive grant moneys under the program and may consult  
4 with an organization about the organization’s needs to maintain capacity to  
5 carry out the proposal for which the grant moneys were awarded.

6 **“SECTION 221.** ORS 285B.762 is amended to read:

7 “285B.762. (1)(a) The [*Oregon Business Development Department*] **Oregon**  
8 **Department of Commerce and Trade** shall conduct biennial evaluations  
9 of the services provided in the preceding 24-month period by organizations  
10 that are funded with grant moneys under the Economic Equity Investment  
11 Program developed and implemented under ORS 285B.761.

12 “(b) Each biennial evaluation shall measure the outcomes achieved by  
13 such services in light of current research into the measures of economic eq-  
14 uity described in ORS 285B.761 (3) and culturally responsive services.

15 “(2) Not later than September 15 of each even-numbered year, the de-  
16 partment shall provide a report, in the manner required under ORS 192.245,  
17 to the interim committees of the Legislative Assembly related to economic  
18 development, that sets forth:

19 “(a) The results of the most recent evaluation conducted under subsection  
20 (1) of this section;

21 “(b) The increase in the capacity of the organizations receiving grant  
22 moneys to provide the services for which the grants were awarded; and

23 “(c) Any other information the department considers important to enable  
24 the committees to assess the success of the program.

25 **“SECTION 222.** ORS 285B.763 is amended to read:

26 “285B.763. (1) There is established in the State Treasury, separate and  
27 distinct from the General Fund, the Economic Equity Investment Fund. In-  
28 terest earned by the Economic Equity Investment Fund shall be credited to  
29 the fund.

30 “(2) All moneys in the fund are continuously appropriated to the [*Oregon*

1 *Business Development Department*] **Oregon Department of Commerce and**  
2 **Trade** for the purposes of developing and implementing the Economic Equity  
3 Investment Program under ORS 285B.760 to 285B.763.

4 “(3) Moneys in the fund shall consist of:

5 “(a) Moneys appropriated to the fund by the Legislative Assembly;

6 “(b) Moneys otherwise transferred to the fund by the Legislative Assem-  
7 bly or the [*Oregon Business Development Department*] **Oregon Department**  
8 **of Commerce and Trade**;

9 “(c) Interest earned upon moneys in the fund; and

10 “(d) Other moneys or property transferred to the fund from any public or  
11 private source.

12 “(4) The department may accept for deposit in the fund any grant, do-  
13 nation, gift or bequest of moneys or property from any public or private  
14 source.

15 **“SECTION 223.** ORS 285B.764 is amended to read:

16 “285B.764. As used in ORS 285B.764 to 285B.775:

17 “(1) ‘Eligible business’ means one of the following businesses as defined  
18 in ORS 200.005 that is operated for profit and has been certified by the  
19 Certification Office for Business Inclusion and Diversity under ORS 200.055  
20 at the time an application is referred on behalf of the business to the [*Oregon*  
21 *Business Development Department*] **Oregon Department of Commerce and**  
22 **Trade** under ORS 285B.771:

23 “(a) A disadvantaged business enterprise;

24 “(b) A minority-owned business;

25 “(c) A woman-owned business;

26 “(d) A veteran-owned business; or

27 “(e) An emerging small business.

28 “(2) ‘Prime rate’ means the primary credit rate of the discount window  
29 program of the United States Federal Reserve System.

30 “(3) ‘Technical assistance provider’ means a small business development

1 center established under ORS 285B.165 to 285B.171 or a culturally specific  
2 business association or chamber that provides one-on-one business counseling  
3 services.

4 **“SECTION 224.** ORS 285B.768 is amended to read:

5 “285B.768. (1) The [*Oregon Business Development Department*] **Oregon**  
6 **Department of Commerce and Trade** shall develop and implement a pro-  
7 gram to make loans to eligible businesses.

8 “(2) Loans made under the program may be for the following amounts:

9 “(a) For eligible businesses that have operated for less than two years,  
10 up to \$100,000.

11 “(b) For eligible businesses that have operated for two years or more, up  
12 to \$250,000.

13 “(3)(a) The term of a loan may not exceed 10 years.

14 “(b)(A) Interest on a loan shall be charged at the prime rate plus two  
15 percent.

16 “(B) Notwithstanding subparagraph (A) of this paragraph, the rate of in-  
17 terest may be increased for risk based on the loan-to-value ratio.

18 “(c) Loans shall be subject to business underwriting standards used in  
19 secondary markets.

20 “(d) To the extent possible, loans must be secured by business and per-  
21 sonal assets.

22 “(e) Loans shall require standard commercial loan documentation, in-  
23 cluding reasonable provisions related to default that the department may  
24 adopt by rule.

25 “(4) An eligible business may use the proceeds of a loan made pursuant  
26 to this section for equipment, inventory, fixtures and working capital or  
27 other business-related expenses other than capital costs.

28 **“SECTION 225.** ORS 285B.771 is amended to read:

29 “285B.771. (1) The [*Oregon Business Development Department*] **Oregon**  
30 **Department of Commerce and Trade** shall prescribe the form and manner

1 in which the owner of an eligible business may apply for a loan under the  
2 loan program developed and implemented under ORS 285B.768.

3 “(2) The application must, at a minimum, require the inclusion of:

4 “(a) Documentation showing that the business for which application is  
5 made is an eligible business;

6 “(b) A nonrefundable application fee of \$200; and

7 “(c) Any other information or documentation the department requires.

8 “(3)(a) The owner of an eligible business interested in applying for a loan  
9 under the loan program must seek assistance from a technical assistance  
10 provider.

11 “(b) The technical assistance must include a review of the application  
12 form and associated documents and other materials for completeness and  
13 accuracy.

14 “(4)(a) If a technical assistance provider determines in its sole discretion  
15 that the application of an eligible business is complete and accurate and  
16 deserves consideration by the department, the provider shall refer the appli-  
17 cation to the department.

18 “(b) If a technical assistance provider refers an application under this  
19 section that is approved by the department, the department shall request  
20 periodic reports from the provider on the status of the eligible business after  
21 receipt of the loan proceeds.

22 “(c) If a technical assistance provider determines that an application is  
23 not complete or accurate or does not deserve to be referred to the department  
24 for consideration in its present form, the technical assistance provider may,  
25 in its sole discretion, work with the owner of the eligible business to amend  
26 the application and application materials.

27 “(d) The refusal of a technical assistance provider to refer an application  
28 to the department under this section does not give rise to a cause of action  
29 of any kind.

30 “(5)(a) After receiving an application referred under this section, the de-



1 department shall either approve or reject the application and notify the appli-  
2 cant and the technical assistance provider that worked with the applicant  
3 of the decision.

4 “(b)(A) Rejection of the application by the department may be appealed  
5 through a process adopted by the department by rule.

6 “(B) The owner of an eligible business whose application has been finally  
7 rejected with no further right of appeal may contact a technical assistance  
8 provider to begin a new application process at any time.

9 “(c) If the department approves the application, the department shall offer  
10 a loan agreement to the eligible business on terms that do not conflict with  
11 ORS 285B.764 to 285B.775.

12 “(6) Upon execution of a loan agreement offered pursuant to subsection  
13 (5)(c) of this section:

14 “(a) All third-party expenses that are necessary to close the loan shall  
15 be paid:

16 “(A) By the eligible business; or

17 “(B) At the sole discretion of the department, out of the loan proceeds.

18 “(b) Upon payment of third-party expenses under paragraph (a) of this  
19 subsection, the department shall pay the balance of the loan proceeds to the  
20 eligible business out of funds in the Disadvantaged and Emerging Small  
21 Business Loan Fund established under ORS 285B.774.

22 “**SECTION 226.** ORS 285B.774 is amended to read:

23 “285B.774. (1) There is established in the State Treasury, separate and  
24 distinct from the General Fund, the Disadvantaged and Emerging Small  
25 Business Loan Fund. All moneys in the fund are continuously appropriated  
26 to the [*Oregon Business Development Department*] **Oregon Department of**  
27 **Commerce and Trade** for the purposes of:

28 “(a) Paying the actual costs of the department in administering the loan  
29 program developed and implemented under ORS 285B.764 to 285B.775; and

30 “(b) Making loans under the loan program developed and implemented

1 under ORS 285B.764 to 285B.775.

2 “(2) The Disadvantaged and Emerging Small Business Loan Fund shall  
3 consist of:

4 “(a) Moneys appropriated or otherwise allocated or transferred to the  
5 fund by the Legislative Assembly;

6 “(b) Interest earned on moneys in the fund;

7 “(c) Moneys received as repayment of principal and interest on loans  
8 made from the fund under ORS 285B.764 to 285B.775; and

9 “(d) Moneys or property of any kind received by the department for de-  
10 posit in the fund from any source.

11 **“SECTION 227.** ORS 285B.775 is amended to read:

12 “285B.775. (1) On or before September 15 of each year, the [*Oregon Busi-*  
13 *ness Development Department*] **Oregon Department of Commerce and**  
14 **Trade** shall submit, in the manner provided in ORS 192.245, to the interim  
15 legislative committees related to economic development, a report containing  
16 the following information about the loan program developed and imple-  
17 mented under ORS 285B.764 to 285B.775:

18 “(a) The number of loans made;

19 “(b) The amounts of the loans made;

20 “(c) Demographic information about the eligible businesses that received  
21 loans that is voluntarily given to the department;

22 “(d) The number of referrals from technical assistance providers under  
23 ORS 285B.771;

24 “(e) The number of loan applications that were rejected and the reasons  
25 for the rejections;

26 “(f) Demographic information about the eligible businesses whose appli-  
27 cations were rejected that is voluntarily given to the department; and

28 “(g) Any other information the department considers significant in eval-  
29 uating the loan program.

30 “(2) The report may include information from periodic reports provided

1 to the department by technical assistance providers under ORS 285B.771  
2 (4)(b).

3 **“SECTION 228.** ORS 285B.787 is amended to read:

4 “285B.787. (1)(a) The [*Oregon Business Development Department*] **Oregon**  
5 **Department of Commerce and Trade** shall, in accordance with this sec-  
6 tion, make awards to lenders to fund the lenders’ loan loss reserve accounts.

7 “(b) The awards shall be made, through a competitive RFP process ad-  
8 ministered by the department.

9 “(c) Of the moneys awarded as a result of any RFP process, not more than  
10 10 percent of available funds may be awarded to any single lender.

11 “(2) The department shall evaluate proposals according to the following  
12 criteria:

13 “(a) The number and value of loans closed by the lender during the five-  
14 year period immediately preceding the date of submission of the lender’s  
15 proposal;

16 “(b) The projected loan production over the performance period of the  
17 award, including the projected number of loans, the proposed principal  
18 amount of qualified loans that the lender would not make but for the moneys  
19 awarded, and the jobs to be created and retained by qualified borrowers;

20 “(c) How the award would increase the lender’s capacity to make loans  
21 to rural or underserved entrepreneurs;

22 “(d) The past performance of loans made by the lender;

23 “(e) The extent to which the lender:

24 “(A) Provides technical assistance and financial literacy services to  
25 underserved borrowers; or

26 “(B) Partners with providers of technical assistance and financial literacy  
27 services to underserved borrowers;

28 “(f) How the lender’s proposed outreach, application process, underwriting  
29 criteria and loan terms are designed to reduce historic barriers to borrowers’  
30 access to loan capital;

1 “(g) How the lender plans to ensure that the loans originated by the  
2 lender under the program are made to borrowers in regionally diverse and  
3 rural areas of this state; and

4 “(h) Any other criteria the department considers necessary or useful for  
5 evaluating a proposal.

6 “(3)(a) After reviewing proposals submitted in response to an RFP, the  
7 department shall reject or accept proposals and determine the amount  
8 awarded for each accepted proposal.

9 “(b) As soon as practicable after the awards are finalized, the department  
10 shall notify the lenders that submitted proposals of the results and offer the  
11 awards to the lenders whose proposals are accepted.

12 **“SECTION 229.** ORS 285B.791 is amended to read:

13 “285B.791. (1) The [*Oregon Business Development Department*] **Oregon**  
14 **Department of Commerce and Trade** shall enter into a written agreement  
15 with each lender that accepts an award offered under ORS 285B.787.

16 “(2) A written agreement entered into pursuant to this section must:

17 “(a) Provide for the creation of a loan loss reserve account by the lender  
18 for the deposit of moneys awarded under ORS 285B.787 out of which the  
19 lender may be reimbursed for principal losses incurred due to defaults on  
20 qualified loans;

21 “(b) Provide that, notwithstanding ORS chapter 293 or 295, the lender  
22 shall establish and maintain the loan loss reserve account with a financial  
23 institution, as defined in ORS 706.008, in accordance with such policies as  
24 the department may adopt;

25 “(c) Require the lender to designate, when a loan is made, whether the  
26 loan is a qualified loan;

27 “(d) Provide that, upon default on a qualified loan, the lender shall, sub-  
28 ject to subsection (3) of this section, liquidate the borrower’s assets and ex-  
29 haust all lawful remedies for the benefit of the lender before the lender may  
30 recover the outstanding principal balance of the loan from the lender’s loan

1 loss reserve account;

2 “(e) Provide that the liability of the State of Oregon and the department  
3 under the written agreement is limited to the amount of moneys awarded and  
4 credited to the lender’s loan loss reserve account; and

5 “(f) Require the lender to file an annual report in accordance with ORS  
6 285B.794.

7 “(3)(a) Notwithstanding the requirement under subsection (2)(d) of this  
8 section to liquidate a borrower’s assets and exhaust all lawful remedies, the  
9 department, upon request of a lender, may waive the lender’s obligations  
10 under subsection (2)(d) of this section if:

11 “(A) The original principal amount of the loan was not greater than  
12 \$25,000; and

13 “(B) The borrower had a personal net worth not greater than \$75,000 at  
14 both the time of application and the time of default.

15 “(b) A lender that does not comply with subsection (2)(d) of this section  
16 or paragraph (a) of this subsection shall be considered to have breached the  
17 written agreement the lender entered into pursuant to subsection (1) of this  
18 section. The department, at its sole discretion, may take assignment of the  
19 loan and pursue collection efforts under subsection (2)(d) of this section.

20 “(4) Qualified lenders that accept awards under ORS 285B.787 shall,  
21 within 10 years following the date on which the written agreement entered  
22 into pursuant to subsection (1) of this section becomes binding, originate  
23 qualified loans with a total principal amount equal to at least four times the  
24 amount of the moneys awarded.

25 **“SECTION 230.** ORS 285B.794 is amended to read:

26 “285B.794. (1) Not later than July 31 of each year, each lender awarded  
27 moneys under ORS 285B.787 shall, during the term of the written agreement  
28 entered into under ORS 285B.791, provide a report to the [*Oregon Business*  
29 *Development Department*] **Oregon Department of Commerce and Trade**,  
30 on a form prescribed by the department, for the period beginning on July 1

1 of the immediately preceding year and ending on June 30 of the current year.

2 “(2) With respect to qualified loans made by the lender, the report shall  
3 include, but not be limited to, the following information:

4 “(a) The number and total principal amount of all qualified loans made  
5 by the lender;

6 “(b) For each qualified loan, the following information:

7 “(A) The term and amortization of the loan; and

8 “(B) The purpose of the loan;

9 “(c) The number of loans that were declined and the primary reasons for  
10 declining them; and

11 “(d) Any other information required under rules adopted by the depart-  
12 ment.

13 “(3) With respect to qualified borrowers, the report shall set forth:

14 “(a) The businesses that qualified borrowers conduct in this state;

15 “(b) The cities and counties in which qualified borrowers use the qualified  
16 loan proceeds;

17 “(c) The number of individuals employed by the qualified businesses;

18 “(d) Demographic data voluntarily reported by qualified borrowers, in-  
19 cluding, but not limited to, whether a qualified business is owned by a  
20 woman, a minority individual, a veteran of any branch of the Armed Forces  
21 of the United States, the National Guard or other reserve component, a low  
22 income person or a person operating the business in a rural area of this  
23 state; and

24 “(e) Outreach conducted by the lender to rural and underserved commu-  
25 nities.

26 “(4) The department may require any lender to include in the report fi-  
27 nancial information that is identifiable with, or from, the financial records  
28 of a borrower.

29 **“SECTION 231.** ORS 285B.797 is amended to read:

30 “285B.797. (1)(a) A lender shall be released from any obligation under a

1 written agreement entered into under ORS 285B.791, and may use for any  
2 purpose whatever any balance in the lender's loan loss reserve account, if  
3 the lender has:

4 “(A) Performed under the written agreement entered into with the  
5 [*Oregon Business Development Department*] **Oregon Department of Com-**  
6 **merce and Trade** for at least 10 years;

7 “(B) Attained during the 10-year period, as required under ORS 285B.791  
8 (3), a ratio of four-to-one of total principal amount of qualified loans made  
9 by the lender to the amount of moneys awarded to the lender under ORS  
10 285B.787; and

11 “(C) Complied with the annual reporting requirements under ORS  
12 285B.794.

13 “(b) A release under this section does not absolve a lender of any con-  
14 tractual obligations owed to a qualified borrower under a qualified loan  
15 agreement.

16 “(2) A lender shall repay to the department for deposit in the General  
17 Fund the balance of moneys awarded to the lender under ORS 285B.787 in  
18 the lender's loan loss reserve account if the department determines that:

19 “(a) The lender has not made a qualified loan for 24 consecutive months;

20 “(b) The lender has become insolvent or has ceased lending operations in  
21 Oregon;

22 “(c) The lender has failed to perform in any material way under the  
23 written agreement entered into with the department pursuant to ORS  
24 285B.791;

25 “(d) The lender made material misrepresentations in the RFP submitted  
26 under ORS 285B.787 or in an annual report required under ORS 285B.794; or

27 “(e) The lender or the lender's loan loss reserve account portfolio has  
28 been sold, transferred or assigned, in whole or part.

29 **“SECTION 232.** ORS 285B.799 is amended to read:

30 “285B.799. On or before September 15 of each even-numbered year, the

1 [Oregon Business Development Department] **Oregon Department of Com-**  
2 **merce and Trade** shall submit, in the manner required under ORS 192.245,  
3 to the interim committees of the Legislative Assembly related to economic  
4 development, a report that sets forth the following information:

5 “(1) The number and total dollar amount of RFPs received under ORS  
6 285B.787;

7 “(2) The number of awards and the amount of moneys awarded under ORS  
8 285B.787;

9 “(3) Information described in ORS 285B.787 (2)(b) from the approved pro-  
10 posals;

11 “(4) Aggregated lender and qualified borrower data, including demo-  
12 graphic data reported by lenders under ORS 285B.794 (3)(d);

13 “(5) The aggregate performance of qualified loans;

14 “(6) The average interest rate, term and amount of qualified loans;

15 “(7) The cities and counties in which qualified borrowers use the qualified  
16 loan proceeds; and

17 “(8) Any other information the department considers necessary or useful  
18 to include in the report.

19 **“SECTION 233.** ORS 285C.050 is amended to read:

20 “285C.050. As used in ORS 285C.050 to 285C.250, unless the context re-  
21 quires otherwise:

22 “(1) ‘Assessment date’ and ‘assessment year’ have the meanings given  
23 those terms in ORS 308.007.

24 “(2) ‘Authorized business firm’ means an eligible business firm that has  
25 been authorized under ORS 285C.140.

26 “(3) ‘Business firm’ means a person operating or conducting one or more  
27 trades or businesses, a people’s utility district organized under ORS chapter  
28 261 or a joint operating agency formed under ORS chapter 262, but does not  
29 include any other governmental agency, municipal corporation or nonprofit  
30 corporation.



1 “(4) ‘County average annual wage’ means:

2 “(a) The most recently available average annual covered payroll for the  
3 county in which the enterprise zone is located, as determined by the Em-  
4 ployment Department; or

5 “(b) If the enterprise zone is located in more than one county, the highest  
6 county average annual wage as determined under paragraph (a) of this sub-  
7 section.

8 “(5) ‘Electronic commerce’ means engaging in commercial or retail trans-  
9 actions predominantly over the Internet or a computer network, utilizing the  
10 Internet as a platform for transacting business, or facilitating the use of the  
11 Internet by other persons for business transactions, and may be further de-  
12 fined by the [*Oregon Business Development Department*] **Oregon Depart-**  
13 **ment of Commerce and Trade** by rule.

14 “(6) ‘Eligible business firm’ means a firm engaged in an activity described  
15 under ORS 285C.135 that may file an application for authorization under  
16 ORS 285C.140.

17 “(7) ‘Employee’ means a person who works more than 32 hours per week,  
18 but does not include a person with a temporary or seasonal job or a person  
19 hired solely to construct qualified property.

20 “(8) ‘Enterprise zone’ means one of the 30 areas designated or terminated  
21 and redesignated by order of the Governor under ORS 284.160 (1987 Re-  
22 placement Part) before October 3, 1989, one of the areas designated by the  
23 Director of the [*Oregon Business Development Department*] **Oregon Depart-**  
24 **ment of Commerce and Trade** under ORS 285C.080 before October 5, 2015,  
25 an area designated under ORS 285C.065, a federal enterprise zone area des-  
26 ignated under ORS 285C.085, an area designated under ORS 285C.250 or a  
27 reservation enterprise zone designated, or a reservation partnership zone  
28 cosponsored, under ORS 285C.306.

29 “(9) ‘Federal enterprise zone’ means any discrete area wholly or partially  
30 within this state that is designated as an empowerment zone, an enterprise

1 community, a renewal community or some similar designation for purposes  
2 of improving the economic and community development of the area.

3 “(10) ‘First-source hiring agreement’ means an agreement between an au-  
4 thorized business firm and a publicly funded job training provider whereby  
5 the provider refers qualified candidates to the firm for new jobs and job  
6 openings in the firm.

7 “(11) ‘In service’ means being used or occupied or fully ready for use or  
8 occupancy for commercial purposes consistent with the intended operations  
9 of the business firm as described in the application for authorization.

10 “(12) ‘Modification’ means modernization, renovation or remodeling of an  
11 existing building, structure or real property machinery or equipment.

12 “(13) ‘New employees hired by the firm’:

13 “(a) Includes only those employees of an authorized business firm engaged  
14 for a majority of their time in eligible operations.

15 “(b) Does not include individuals employed in a job or position that:

16 “(A) Is created and first filled after December 31 of the first tax year in  
17 which qualified property of the firm is exempt under ORS 285C.175;

18 “(B) Existed prior to the submission of the relevant application for au-  
19 thorization; or

20 “(C) Is performed primarily at a location outside of the enterprise zone.

21 “(14) ‘Publicly funded job training provider’ includes but is not limited  
22 to a community college, a service provider under the federal Workforce In-  
23 novation and Opportunity Act, or a similar program.

24 “(15) ‘Qualified business firm’ means a business firm described in ORS  
25 285C.200, the qualified property of which is exempt from property tax under  
26 ORS 285C.175.

27 “(16) ‘Qualified property’ means property described under ORS 285C.180.

28 “(17) ‘Qualified rural county’ means a county:

29 “(a) That is outside all metropolitan statistical areas, as defined by the  
30 most recent federal decennial census; and

1       “(b) In which, on the most recently certified property tax assessment roll,  
2 the total property taxes imposed by all taxing districts within the county are  
3 equal to or greater than 1.3 percent of the total assessed value of all taxable  
4 property located in the county.

5       “(18) ‘Rural enterprise zone’ means:

6       “(a) An enterprise zone located in an area of this state in which an urban  
7 enterprise zone could not be located; or

8       “(b) A reservation enterprise zone designated, or a reservation partnership  
9 zone cosponsored, under ORS 285C.306.

10       “(19) ‘Sparsely populated county’ means a county with a density of 100  
11 or fewer persons per square mile, based on the most recently available pop-  
12 ulation figure for the county from the Portland State University Population  
13 Research Center.

14       “(20) ‘Sponsor’ means:

15       “(a) The city, county or port, or any combination of cities, counties or  
16 ports, that received approval of an enterprise zone under ORS 284.150 and  
17 284.160 (1987 Replacement Part), under ORS 285C.080 before October 5, 2015,  
18 or under ORS 285C.085 or 285C.250 or that designated an enterprise zone  
19 under ORS 285C.065 or 285C.250;

20       “(b) The tribal government, in the case of a reservation enterprise zone;

21       “(c) The tribal government and the cosponsoring city, county or port, in  
22 the case of a reservation partnership zone; or

23       “(d) A city, county or port that joined the enterprise zone through a  
24 boundary change under ORS 285C.115 (6) or a port that joined the enterprise  
25 zone under ORS 285C.068.

26       “(21) ‘Tax year’ has the meaning given that term in ORS 308.007.

27       “(22) ‘Urban enterprise zone’ means an enterprise zone in a metropolitan  
28 statistical area, as defined by the most recent federal decennial census, that  
29 is located inside a regional or metropolitan urban growth boundary.

30       “(23) ‘Year’ has the meaning given that term in ORS 308.007.

1       **SECTION 234.** ORS 285C.060 is amended to read:

2       “285C.060. In addition to any other powers granted by law, for the purpose  
3 of administering ORS 285C.050 to 285C.250, the [*Oregon Business Develop-*  
4 *ment Department*] **Oregon Department of Commerce and Trade** shall:

5       “(1) Adopt any rules the department considers necessary to administer  
6 ORS 285C.050 to 285C.250.

7       “(2) Assist a sponsor of an enterprise zone in its efforts to retain, expand,  
8 start or recruit eligible business firms.

9       “(3) Assist an eligible business firm doing business within an enterprise  
10 zone to obtain the benefits of applicable incentive or inducement programs  
11 authorized by Oregon law.

12       “(4) Take action necessary to participate in the federal enterprise zone  
13 program pursuant to ORS 285C.085.

14       “(5) Take action necessary to ensure that zones designated by sponsors  
15 comply with statutory requirements.

16       “(6) Assist in implementing first-source hiring agreements by publicly  
17 funded job training providers with authorized business firms and in ensuring  
18 compliance with business firm eligibility requirements and with provisions  
19 addressing the avoidance of job losses outside of enterprise zones.

20       **SECTION 235.** ORS 285C.065 is amended to read:

21       “285C.065. (1) Any city, county or port may designate an area within the  
22 city, county or port as an enterprise zone. A port shall obtain the consent  
23 of the governing body of the county prior to designating an area as an en-  
24 terprise zone. With the prior consent of the governing body of the city or  
25 port, a county may, on behalf of a city or port, designate any area within  
26 the city or port as an enterprise zone. With the prior consent of the gov-  
27 erning body of a city, a port may, on behalf of a city, designate any area that  
28 is wholly or partially shared territory of both the port and city as an en-  
29 terprise zone. With the prior consent of the governing body of a port, a city  
30 may, on behalf of a port, designate any area that is wholly or partially

1 shared territory of both the city and port as an enterprise zone.

2 “(2) One or more cities, counties and ports may designate an area situated  
3 partly within each city and partly in unincorporated territory within the  
4 counties or ports as an enterprise zone.

5 “(3) Designation of an enterprise zone under this section shall be made  
6 by resolution of the governing body of the city, county or port and is not  
7 final until a positive determination in favor of the zone has been made by  
8 the [*Oregon Business Development Department*] **Oregon Department of**  
9 **Commerce and Trade** under ORS 285C.074.

10 “**SECTION 236.** ORS 285C.066 is amended to read:

11 “285C.066. The [*Oregon Business Development Department*] **Oregon De-**  
12 **partment of Commerce and Trade** may adopt rules related to:

13 “(1) The consent required by resolution of the governing body of a city,  
14 county or port under ORS 285C.065 (1) in order for a city, county or port to  
15 designate an enterprise zone.

16 “(2) The number of enterprise zones that may be designated within a city  
17 or other jurisdiction.

18 “**SECTION 237.** ORS 285C.067 is amended to read:

19 “285C.067. (1) Prior to designating an enterprise zone under ORS 285C.065  
20 or 285C.250:

21 “(a) The governing body of the city, county or port seeking to designate  
22 the enterprise zone shall consult with all local taxing districts with territory  
23 in the zone.

24 “(b) The governing bodies of the zone sponsor and each school district as  
25 defined in ORS 332.002 (2) with territory in the enterprise zone shall set a  
26 rate for the school support fee imposed pursuant to ORS 285C.162 (2) and  
27 285C.405 (2) that is at least 15 percent and not more than 30 percent. The  
28 rate shall apply to all qualified property and facilities granted exemption  
29 under ORS 285C.175 or 285C.409, respectively, located in the enterprise zone.

30 “(2) The [*Oregon Business Development Department*] **Oregon Department**

1 **of Commerce and Trade** may adopt rules on the consultations required  
2 under subsection (1) of this section and procedures related to the consulta-  
3 tions.

4 **“SECTION 238.** ORS 285C.068 is amended to read:

5 “285C.068. (1) A port located in whole or in part within an existing en-  
6 terprise zone may be added as a cosponsor of the enterprise zone by resolu-  
7 tion of the governing body of the port, subject to the consent of the existing  
8 zone sponsor and with notice to the [*Oregon Business Development Depart-*  
9 *ment*] **Oregon Department of Commerce and Trade.**

10 “(2) The addition of a port as a cosponsor of an existing enterprise zone  
11 under this section does not change the termination date of the enterprise  
12 zone under ORS 285C.245.

13 **“SECTION 239.** ORS 285C.070 is amended to read:

14 “285C.070. (1) The governing body of a city or county that is designating  
15 an enterprise zone under ORS 285C.065 or 285C.250 may elect to permit a  
16 business firm operating a hotel, motel or destination resort to be an eligible  
17 business firm with respect to those operations.

18 “(2) The election must be made at the time the zone is designated or any  
19 time thereafter and before the expiration of six months following the date  
20 the zone is designated.

21 “(3) The election shall be made by a resolution adopted by the city or  
22 county governing body. In order for the election to be effective, the resolu-  
23 tion must be submitted to the [*Oregon Business Development Department*]  
24 **Oregon Department of Commerce and Trade** and acknowledged by the  
25 department.

26 “(4)(a) If more than one city or county is to be the sponsor, the resolution  
27 making the election may restrict the area in which a hotel, motel or desti-  
28 nation resort may be located in order for the firm to be an eligible business  
29 firm with respect to those operations.

30 “(b) The resolution making the restriction described in paragraph (a) of

1 this subsection may only restrict the area of the zone in which a hotel, motel  
2 or destination resort may be located to that area of the zone that is located:

3 “(A) Within the boundaries of one or more cities in favor of hotel, motel  
4 and destination resort exemption, if the county is not in favor of hotel, motel  
5 and destination resort exemption;

6 “(B) Within the unincorporated territory of a county in favor of hotel,  
7 motel and destination resort exemption, if one or more cities are not in favor  
8 of hotel, motel and destination resort exemption; or

9 “(C) Within the shared territory of a city and county in favor of hotel,  
10 motel and destination resort exemption and the unincorporated territory of  
11 the county, if one or more other cities are not in favor of hotel, motel and  
12 destination resort exemption.

13 “(c) If a restriction is made under this subsection, the restriction may be  
14 modified at any time within six months of the date the zone is designated,  
15 but may not be modified at any time thereafter.

16 “(5) The sponsor may by resolution revoke an election made under this  
17 section. If an election is revoked, the sponsor may not make another election  
18 under this section.

19 **“SECTION 240.** ORS 285C.074 is amended to read:

20 “285C.074. (1)(a) No sooner than the 45th day following compliance with  
21 ORS 285C.078 (1), a zone sponsor shall submit to the [*Oregon Business De-*  
22 *velopment Department*] **Oregon Department of Commerce and Trade** doc-  
23 umentation of the sponsor’s designation of an enterprise zone under ORS  
24 285C.065 or 285C.250.

25 “(b) For purposes of this subsection, the documentation submitted to the  
26 department must include:

27 “(A) A map clearly indicating the designated zone boundary;

28 “(B) A description and geographic information system data for the area  
29 inside the zone; and

30 “(C) Any other information required by the department for the purposes

1 of making a determination under this section.

2 “(2) As soon as practicable after receipt of the documentation required  
3 under subsection (1) of this section, the department shall notify the zone  
4 sponsor of the department’s determination.

5 “(3)(a) The department’s determination shall be positive and final if the  
6 requirements of this section and ORS 285C.065, 285C.067 and 285C.090 are  
7 met.

8 “(b) The designation shall take effect on the date on which the latest re-  
9 solution of the sponsoring or consenting city, county or port was adopted.

10 “(4)(a) If the department’s determination is negative, the notice required  
11 under subsection (2) of this section must state the reasons for the negative  
12 determination.

13 “(b) The zone sponsor may resubmit documentation for a determination  
14 under this section and the sponsor and the department may discuss changes  
15 in the documentation necessary for a positive determination under this sec-  
16 tion.

17 “(c) If the sponsor resubmits documentation and the department makes a  
18 positive determination, the designation shall take effect on the date on which  
19 the latest resolution of the sponsoring or consenting city, county or port was  
20 adopted, or the date on which any outstanding requirement for designation  
21 is satisfied, as stipulated in the department’s determination.

22 “**SECTION 241.** ORS 285C.078 is amended to read:

23 “285C.078. (1) Before submitting documentation, as required under ORS  
24 285C.074 or 285C.102, as applicable, of the designation of an enterprise zone  
25 under ORS 285C.065 or 285C.250 or a zone or city for electronic commerce  
26 under ORS 285C.095 or 285C.100, respectively, the zone sponsor or the gov-  
27 erning body of the city shall formally advise the [*Oregon Business Develop-*  
28 *ment Department*] **Oregon Department of Commerce and Trade** of the  
29 zone sponsor’s or the city’s intent to make the designation.

30 “(2)(a) As soon as practicable after receipt of a formal advisory required



1 under subsection (1) of this section, the department shall contact the zone  
2 sponsor or the governing body of the city to arrange a consultation about  
3 the designation.

4 “(b) After the consultation required under this subsection, the zone  
5 sponsor or the governing body of the city may submit to the department  
6 documentation of the designation, at the time and in the manner required  
7 under ORS 285C.074 or 285C.102, as applicable.

8 “(3) A formal advisory submitted pursuant to subsection (1) of this section  
9 does not obligate the zone sponsor or the governing body of the city to make  
10 the designation.

11 **“SECTION 242.** ORS 285C.085 is amended to read:

12 “285C.085. (1) The [*Oregon Business Development Department*] **Oregon**  
13 **Department of Commerce and Trade** shall be the lead agency for state  
14 participation in a federal enterprise zone program. The Director of the  
15 [*Oregon Business Development Department*] **Oregon Department of Com-**  
16 **merce and Trade** may take action necessary for such participation to the  
17 extent allowed by state law.

18 “(2) Any area designated as a federal enterprise zone by an agency of the  
19 federal government may be designated as a state enterprise zone by the di-  
20 rector at the request of a city, county or port within whose jurisdiction some  
21 or all of the federal enterprise zone is located, without regard to any limi-  
22 tation contained in ORS 285C.090.

23 “(3) The boundary of an existing state enterprise zone may be amended  
24 by the director at the request of the sponsor to include the entire area of a  
25 federal enterprise zone without regard to ORS 285C.115 (2). A change in the  
26 boundary of an existing state enterprise zone under this subsection does not  
27 change the termination date of the enterprise zone under ORS 285C.245.

28 “(4) A request by a city, county or port under subsection (2) or (3) of this  
29 section shall be in such form and include such information as required by  
30 the department, but the request must:

1 “(a) Include a resolution adopted by the governing body of the city,  
2 county or port; and

3 “(b) Provide that all areas within both the federal enterprise zone and the  
4 city, county or port are included in a state enterprise zone.

5 “(5) The termination under federal law of a federal enterprise zone does  
6 not affect the existence or dimensions of a state enterprise zone, except  
7 when, as determined by the director, the termination is for nonperformance  
8 or for violations of federal guidelines.

9 **“SECTION 243.** ORS 285C.090 is amended to read:

10 “285C.090. (1) An enterprise zone must be located in a local area in which:

11 “(a) Fifty percent or more of the households have incomes below 80 per-  
12 cent of the median income of this state, as defined by the most recent federal  
13 decennial census;

14 “(b) The unemployment rate is at least 2.0 percentage points greater than  
15 the comparable unemployment rate for this entire state, as defined by the  
16 most recently available data published or officially provided and verified by  
17 the United States Government, the Employment Department, the Portland  
18 State University Population Research Center or special studies conducted  
19 under a contract with a regional academic institution; or

20 “(c) The [*Oregon Business Development Department*] **Oregon Department**  
21 **of Commerce and Trade** determines on a case-by-case basis using evidence  
22 provided by the cities, counties or ports designating the enterprise zone that  
23 there exists a level of economic hardship at least as severe as that described  
24 in paragraph (a) or (b) of this subsection. The evidence must be based on the  
25 most recently available data from official sources and may include a con-  
26 temporary decline of the population in the enterprise zone, the percentage  
27 of persons in the enterprise zone below the poverty level relative to the  
28 percentage of the entire population of this state below the poverty level or  
29 the unemployment rate for the county or counties in which the enterprise  
30 zone is located.

1       “(2)(a) An urban enterprise zone may consist of a total area of not more  
2 than 12 square miles in size.

3       “(b) A rural enterprise zone may consist of a total area of not more than  
4 15 square miles in size.

5       “(c) For purposes of this subsection, the area of the zone must be calcu-  
6 lated by excluding that portion of the zone that lies below the ordinary high  
7 water mark of a navigable body of water.

8       “(3) Except as provided in subsection (4) of this section:

9       “(a) An urban enterprise zone must have 12 miles or less, and a rural  
10 enterprise zone must have 15 miles or less, as the greatest distance between  
11 any two points within the zone; and

12       “(b) Unconnected areas of an enterprise zone may not be more than five  
13 miles apart.

14       “(4) Unconnected areas of a rural enterprise zone may not be more than  
15 15 miles apart when an unconnected area is entirely within a sparsely pop-  
16 ulated county, and the zone:

17       “(a) Must have 20 miles or less as the greatest distance between any two  
18 points within the zone, if only a portion of the zone is contained within a  
19 sparsely populated county; or

20       “(b) Must have 25 miles or less as the greatest distance between any two  
21 points within the zone, if the zone is entirely contained within a sparsely  
22 populated county.

23       “(5) This section does not apply to the designation or redesignation of a  
24 reservation enterprise zone or a reservation partnership zone.

25       “**SECTION 244.** ORS 285C.095 is amended to read:

26       “285C.095. (1) A sponsor of an existing enterprise zone may designate the  
27 zone for electronic commerce under this section by resolution of the gov-  
28 erning body of the sponsor.

29       “(2) There may be designated at any time no more than 15 zones for  
30 electronic commerce.

1 “(3) The sponsor may by resolution revoke an electronic commerce desig-  
2 nation made under this section. If an election is revoked, the sponsor may  
3 not subsequently seek reinstatement of electronic commerce designation.

4 “(4) Designation of a zone for electronic commerce under this section is  
5 not final until a positive determination has been made in favor of the zone  
6 by the [*Oregon Business Development Department*] **Oregon Department of**  
7 **Commerce and Trade** under ORS 285C.102.

8 **“SECTION 245.** ORS 285C.100 is amended to read:

9 “285C.100. (1) Notwithstanding ORS 285C.095, a city shall be designated  
10 for electronic commerce if the city:

11 “(a) By resolution of the governing body of the city, declares itself a city  
12 designated for electronic commerce;

13 “(b) As of January 1, 2002, has a population of more than 1,500 but less  
14 than 2,000;

15 “(c) Is located less than 25 miles from a city with a population of more  
16 than 500,000; and

17 “(d) Is located less than 10 miles from a city with a high concentration  
18 of high technology firms and with a population that, as of January 1, 2002,  
19 does not exceed 85,000.

20 “(2) Only one city may be designated for electronic commerce under this  
21 section, and that designation shall be made without consideration of the  
22 numeric limits imposed by ORS 285C.095.

23 “(3)(a) A city does not need to sponsor an enterprise zone to be designated  
24 for electronic commerce under this section.

25 “(b) The governing body of a city designated for electronic commerce  
26 under this section does not need to comply with the requirements of ORS  
27 285C.067 or 285C.090, but the governing body must take all actions that are  
28 required of a sponsor of a rural enterprise zone under ORS 285C.050 to  
29 285C.250 with respect to business firms seeking exemption under ORS  
30 285C.175.

1 “(c) A business firm that is engaged in electronic commerce at a location  
2 inside a city designated for electronic commerce under this section and that  
3 seeks an exemption under ORS 285C.175 must take all actions required of a  
4 qualified business firm under ORS 285C.050 to 285C.250, except that the  
5 business firm does not need to be located within an enterprise zone.

6 “(d) A business firm described in paragraph (c) of this subsection:

7 “(A) Shall be an eligible business firm, the qualified property of which is  
8 exempt from taxation under ORS 285C.175 as if the qualified property were  
9 located in an enterprise zone under ORS 285C.095; and

10 “(B) May claim the tax credit under ORS 315.507.

11 “(4) Designation of a city for electronic commerce under this section is  
12 not final until a positive determination in favor of the city has been made  
13 by the [*Oregon Business Development Department*] **Oregon Department of**  
14 **Commerce and Trade** under ORS 285C.102.

15 “(5) For the purpose of determining the boundaries of a city designated  
16 for electronic commerce, ‘city’ includes:

17 “(a) Territory that is annexed into the city, as of the date of the  
18 annexation;

19 “(b) Land within the urban growth boundary of the city; and

20 “(c) Territory that is added to the urban growth boundary described in  
21 paragraph (b) of this subsection, as of the date the urban growth boundary  
22 is extended to such territory.

23 **“SECTION 246.** ORS 285C.100, as amended by section 24, chapter 52,  
24 Oregon Laws 2024, is amended to read:

25 “285C.100. (1) Notwithstanding ORS 285C.095, a city shall be designated  
26 for electronic commerce if the city:

27 “(a) By resolution of the governing body of the city, declares itself a city  
28 designated for electronic commerce;

29 “(b) As of January 1, 2002, has a population of more than 1,500 but less  
30 than 2,000;

1 “(c) Is located less than 25 miles from a city with a population of more  
2 than 500,000; and

3 “(d) Is located less than 10 miles from a city with a high concentration  
4 of high technology firms and with a population that, as of January 1, 2002,  
5 does not exceed 85,000.

6 “(2) Only one city may be designated for electronic commerce under this  
7 section, and that designation shall be made without consideration of the  
8 numeric limits imposed by ORS 285C.095.

9 “(3)(a) A city does not need to sponsor an enterprise zone to be designated  
10 for electronic commerce under this section.

11 “(b) The governing body of a city designated for electronic commerce  
12 under this section does not need to comply with the requirements of ORS  
13 285C.067 or 285C.090, but the governing body must take all actions that are  
14 required of a sponsor of a rural enterprise zone under ORS 285C.050 to  
15 285C.250 with respect to business firms seeking exemption under ORS  
16 285C.175.

17 “(c) A business firm that is engaged in electronic commerce or  
18 semiconductor-related development activities at a location inside a city des-  
19 ignated for electronic commerce under this section and that seeks an ex-  
20 emption under ORS 285C.175 must take all actions required of a qualified  
21 business firm under ORS 285C.050 to 285C.250, except that the business firm  
22 does not need to be located within an enterprise zone.

23 “(d) A business firm described in paragraph (c) of this subsection:

24 “(A) Shall be an eligible business firm, the qualified property of which is  
25 exempt from taxation under ORS 285C.175 as if the qualified property were  
26 located in an enterprise zone under ORS 285C.095, or if the qualified property  
27 is used in semiconductor-related development activities; and

28 “(B) May claim the tax credit under ORS 315.507.

29 “(4) Designation of a city for electronic commerce under this section is  
30 not final until a positive determination in favor of the city has been made

1 by the [*Oregon Business Development Department*] **Oregon Department of**  
2 **Commerce and Trade** under ORS 285C.102.

3 “(5) For the purpose of determining the boundaries of a city designated  
4 for electronic commerce, ‘city’ includes:

5 “(a) Territory that is annexed into the city, as of the date of the  
6 annexation;

7 “(b) Land within the urban growth boundary of the city; and

8 “(c) Territory that is added to the urban growth boundary described in  
9 paragraph (b) of this subsection, as of the date the urban growth boundary  
10 is extended to such territory.

11 **“SECTION 247.** ORS 285C.102 is amended to read:

12 “285C.102. (1) No sooner than the 31st day following compliance with ORS  
13 285C.078 (1), the sponsor of an enterprise zone or the governing body of a  
14 city shall submit to the [*Oregon Business Development Department*] **Oregon**  
15 **Department of Commerce and Trade** documentation of the sponsor’s or  
16 city’s designation of the zone or city for electronic commerce under ORS  
17 285C.095 or 285C.100, respectively, with sufficient information for the de-  
18 partment to make a determination under this section.

19 “(2)(a) As soon as practicable after receipt of the documentation required  
20 under subsection (1) of this section, the department shall notify the zone  
21 sponsor or governing body of the city of the department’s determination.

22 “(b) The department’s determination shall be positive and final if the  
23 designation meets applicable requirements, including, but not limited to, any  
24 numeric limitation under ORS 285C.095 or 285C.100.

25 “(c) If the department’s determination is negative, the notice required  
26 under paragraph (a) of this subsection must state the reasons for the nega-  
27 tive determination.

28 “(d) A zone sponsor or the governing body of a city that receives a neg-  
29 ative determination under this subsection may resubmit documentation of the  
30 sponsor’s or city’s designation of the zone or city for electronic commerce

1 for a determination under this section.

2 “(3)(a) For purposes of complying with the numeric limits of ORS 285C.095  
3 or 285C.100, the department shall make determinations under this section in  
4 the order in which documentation submitted under subsection (1) of this  
5 section is received.

6 “(b) For purposes of this subsection, documentation that is resubmitted  
7 after a negative determination shall be considered received on the date of the  
8 resubmission.

9 “(c) The department shall adopt rules necessary to administer this sub-  
10 section.

11 **“SECTION 248.** ORS 285C.105 is amended to read:

12 “285C.105. (1) The sponsor of an enterprise zone shall:

13 “(a) Appoint a local zone manager. Upon appointment of the local zone  
14 manager, the sponsor shall provide written notice thereof to the [*Oregon*  
15 *Business Development Department*] **Oregon Department of Commerce and**  
16 **Trade**, the county assessor and the Department of Revenue.

17 “(b) Provide, and assist all authorized or qualified business firms in using,  
18 enhanced local public services, local incentives and local regulatory flexi-  
19 bility that a sponsor has elected, by policy, to provide to any firm seeking  
20 authorization in that zone after adoption of the policy.

21 “(c) Review and approve or deny applications for authorization under ORS  
22 285C.140.

23 “(d) Assist the county assessor in administering the property tax ex-  
24 emption and in performing other duties assigned to the assessor under ORS  
25 285C.050 to 285C.250.

26 “(e) Maintain, implement and periodically update a plan for marketing the  
27 enterprise zone including strategies for retention, expansion, start-up and  
28 recruitment of eligible business firms.

29 “(f) Manage the enterprise zone in accordance with ORS 285C.050 to  
30 285C.250.



1 “(g) Identify property available for sale or lease to eligible business firms  
2 under ORS 285C.110.

3 “(h) Prepare indices of street addresses, tax lot numbers or other infor-  
4 mation to facilitate the identification of land inside of an urban enterprise  
5 zone.

6 “(i) Provide written notice to the county assessor, the Department of  
7 Revenue, the [*Oregon Business Development Department*] **Oregon Depart-  
8 ment of Commerce and Trade** and any relevant publicly funded job train-  
9 ing provider of the conditions and policies adopted or normally sought by the  
10 sponsor under ORS 285C.150, 285C.155, 285C.160 or 285C.203, and take the  
11 actions necessary to implement and enforce the conditions and policies and  
12 any other reasonable requirements imposed pursuant to ORS 285C.155,  
13 285C.160 or 285C.203.

14 “(j) Conduct, or assist in conducting, annual reporting of enterprise zone  
15 activity or effort, if requested by the county assessor or the [*Oregon Business  
16 Development Department*] **Oregon Department of Commerce and Trade**.

17 “(2) If more than one city, county or port sponsors an enterprise zone, the  
18 jurisdictions shall act jointly in performing the duties imposed on a sponsor  
19 under ORS 285C.050 to 285C.250.

20 **“SECTION 249.** ORS 285C.115 is amended to read:

21 “285C.115. (1) The sponsor of an enterprise zone may change the boundary  
22 of the enterprise zone by resolution of the governing body of the sponsor.

23 “(2) The amended enterprise zone shall:

24 “(a) Add land zoned for use by eligible business firms that has or will  
25 have infrastructure facilities, road access, on-site water, on-site sewage dis-  
26 posal and necessary utility services;

27 “(b) Continue to include any authorized business firms within the enter-  
28 prise zone;

29 “(c) Add residential areas or nonresidential areas that are adjacent to  
30 residential areas only if the level of economic hardship in the areas to be

1 added is at least as severe as the conditions that existed at the time the or-  
2 iginal enterprise zone was designated or that currently exist in the original  
3 enterprise zone;

4 “(d) Retain at least 50 percent of the lands in the original enterprise zone;  
5 and

6 “(e) Meet the applicable total area and greatest distance requirements set  
7 forth in ORS 285C.090.

8 “(3) If the enterprise zone is a reservation enterprise zone or a reservation  
9 partnership zone and the land to be added to the zone is not described in  
10 ORS 285C.306, the boundary change, and the resulting boundary of the zone,  
11 must fully satisfy the provisions of this section.

12 “(4) A boundary change under subsection (1) of this section may:

13 “(a) Remove only the land that is residential or not zoned or available for  
14 use by eligible business firms; or

15 “(b) Change the name of the enterprise zone.

16 “(5) The boundary of an urban enterprise zone may not be modified to  
17 include land located outside a regional or metropolitan urban growth  
18 boundary.

19 “(6) An area that is under the jurisdiction of a city, county or port that  
20 is not a sponsor of the enterprise zone may be added to the enterprise zone  
21 under this section only if the governing body of the nonsponsoring city,  
22 county or port adopts a resolution requesting the change and requesting that  
23 the city, county or port become a cosponsor, or a resolution consenting to  
24 the change, as provided under ORS 285C.065 (1).

25 “(7) The resolution of the governing body of a city, county or port to be-  
26 come a cosponsor under subsection (6) of this section may include a re-  
27 striction described in ORS 285C.070 (4). A restriction made under this  
28 paragraph may be made without regard to the time limitation described in  
29 ORS 285C.070 (4)(c) and becomes final on the effective date of the boundary  
30 change.

1 “(8) A boundary change under this section is not final until a positive  
2 determination has been made by the [*Oregon Business Development Depart-*  
3 *ment*] **Oregon Department of Commerce and Trade** under ORS 285C.117.

4 “(9) A change in the boundary of an enterprise zone under this section  
5 does not change the termination date of the enterprise zone under ORS  
6 285C.245.

7 **“SECTION 250.** ORS 285C.117 is amended to read:

8 “285C.117. (1)(a) The sponsor of an enterprise zone shall submit to the  
9 [*Oregon Business Development Department*] **Oregon Department of Com-**  
10 **merce and Trade** documentation of a boundary change under ORS 285C.115.

11 “(b) For purposes of this subsection, the documentation submitted to the  
12 department must include:

13 “(A) A map clearly indicating the changes made to the boundary;

14 “(B) A new description and geographic information system data for the  
15 area inside the zone; and

16 “(C) Any other information required by the department for the purposes  
17 of making a determination under this section.

18 “(2) As soon as practicable after receipt of the documentation required  
19 under subsection (1) of this section, the department shall notify the zone  
20 sponsor of the department’s determination.

21 “(3)(a) The department’s determination shall be positive and final if the  
22 requirements of this section and ORS 285C.115 are met.

23 “(b) The boundary change shall take effect on the date on which the latest  
24 resolution of the sponsoring city, county or port was adopted.

25 “(4)(a) If the department’s determination is negative, the notice required  
26 under subsection (2) of this section must state the reasons for the negative  
27 determination.

28 “(b) The zone sponsor may resubmit documentation for a determination  
29 under this section and the sponsor and the department may discuss changes  
30 in the documentation necessary for a positive determination under this sec-

1 tion.

2 “(c) If the sponsor resubmits documentation and the department makes a  
3 positive determination, the boundary change shall take effect on the date on  
4 which the latest resolution of the sponsoring city, county or port was  
5 adopted, or the date on which any outstanding requirement for the boundary  
6 change is satisfied, as stipulated in the department’s determination.

7 **“SECTION 251.** ORS 285C.120 is amended to read:

8 “285C.120. (1) If the population density of a county increases to more than  
9 100 persons per square mile, so that the county is no longer a sparsely pop-  
10 ulated county, any existing rural enterprise zone located wholly or partly  
11 within that county shall continue to exist with that zone boundary until  
12 terminated. A boundary change under ORS 285C.115 that is subsequent to  
13 the date on which the county ceases to be a sparsely populated county may  
14 not add an area to the zone that:

15 “(a) Is a separate area farther than five miles from the nearest point on  
16 the existing boundary;

17 “(b) Increases the distance between the two points in the zone that are  
18 the farthest apart; or

19 “(c) Creates a new line of distance to the farthestmost opposite point in  
20 the zone that is longer than the greatest distance between any two existing  
21 points in the zone.

22 “(2) In designating or changing the boundary of a rural enterprise zone  
23 under ORS 285C.065, 285C.115 or 285C.250 in a sparsely populated county, a  
24 zone sponsor may seek a waiver of the distance limitations under ORS  
25 285C.090 (4) by providing the necessary documentation under ORS 285C.074  
26 or 285C.117. The Director of the [*Oregon Business Development Department*]  
27 **Oregon Department of Commerce and Trade** shall grant the waiver if the  
28 director determines that:

29 “(a) The designation or the boundary change satisfies all other applicable  
30 requirements; and

1 “(b) Consistent with rules adopted by the [*Oregon Business Development*  
2 *Department*] **Oregon Department of Commerce and Trade**, designation of  
3 a separate enterprise zone is not a practical option under the particular  
4 circumstances, that the overall distances involved can be effectively admin-  
5 istered and that the waiver will further the goals and purposes of ORS  
6 285C.050 to 285C.250.

7 **“SECTION 252.** ORS 285C.125 is amended to read:

8 “285C.125. For the purposes of ORS 285C.050 to 285C.250, the Department  
9 of Revenue shall:

10 “(1) Adopt any rules the Department of Revenue considers necessary to  
11 implement ORS 285C.125, 285C.130, 285C.140, 285C.145, 285C.165, 285C.175,  
12 285C.180, 285C.185, 285C.190, 285C.220, 285C.225, 285C.230, 285C.235 and  
13 285C.240.

14 “(2) Assist the [*Oregon Business Development Department*] **Oregon De-**  
15 **partment of Commerce and Trade**, county assessors and the sponsors of  
16 enterprise zones in their efforts to authorize or qualify eligible business  
17 firms.

18 “(3) Assist an eligible business firm proposing to do business within an  
19 enterprise zone or doing business within an enterprise zone to obtain the  
20 benefits of applicable tax incentive or inducement programs administered or  
21 supervised by the Department of Revenue.

22 “(4) Issue and print forms and worksheets to be used by business firms  
23 to make authorization applications or exemption claims.

24 **“SECTION 253.** ORS 285C.130 is amended to read:

25 “285C.130. The assessor of a county within which an enterprise zone is  
26 located shall:

27 “(1) Assist the sponsor, the local zone manager appointed by the sponsor  
28 and business firms in determining whether property will qualify for a prop-  
29 erty tax exemption under ORS 285C.175.

30 “(2) Review and approve or deny applications from eligible business firms

1 for authorization under ORS 285C.140.

2 “(3) Process claims for property tax exemptions filed under ORS 285C.220  
3 and exempt the qualified property of authorized business firms from ad  
4 valorem property taxation in accordance with ORS 285C.050 to 285C.250.

5 “(4) Take action necessary under ORS 285C.240.

6 “(5) Submit a written report to the Department of Revenue on or before  
7 July 1 of each assessment year. The report for each enterprise zone, or por-  
8 tion of a zone that is located in the county, shall include the following in-  
9 formation, organized by business firm:

10 “(a) The assessor’s estimate of the assessed value of qualified property  
11 that was exempt under ORS 285C.175 for the previous tax year and the taxes  
12 that would have been imposed on the qualified property, as entered on the  
13 assessment and tax roll under ORS 285C.175 (7).

14 “(b) The annual average number of employees of the firm within the en-  
15 terprise zone during the previous assessment year, as reported on the ex-  
16 emption claim filed under ORS 285C.220.

17 “(c) The annual average compensation for the previous assessment year  
18 of new employees hired by the firm within the enterprise zone, if the firm  
19 is subject to the annual compensation requirements of ORS 285C.160 (3), as  
20 reported on the exemption claim filed under ORS 285C.220.

21 “(d) The assessor’s estimate of the assessed value, for the current tax  
22 year, of qualified property that was exempt under ORS 285C.175 for the pre-  
23 vious tax year and that is not exempt under ORS 285C.175 for the current  
24 tax year.

25 “(e) The total investment cost of qualified property first reported on the  
26 exemption claim filed under ORS 285C.220 that includes a property schedule  
27 submitted by the business firm pursuant to ORS 285C.225 for the current tax  
28 year.

29 “(f) The current number of employees of the firm, as reported on the ex-  
30 emption claim filed under ORS 285C.220 and described in paragraph (e) of

1 this subsection.

2 “(g) Any other information the assessor or the Department of Revenue  
3 considers appropriate.

4 “(6) Send a copy of a report prepared under subsection (5) of this section  
5 to the sponsor of the enterprise zone and to the [*Oregon Business Develop-*  
6 *ment Department*] **Oregon Department of Commerce and Trade.**

7 **“SECTION 254.** ORS 285C.140 is amended to read:

8 “285C.140. (1)(a) Any eligible business firm seeking to have property ex-  
9 empt from property taxation under ORS 285C.175 shall, before the com-  
10 mencement of direct site preparation activities or the construction, addition,  
11 modification or installation of qualified property in an enterprise zone, and  
12 before the hiring of eligible employees, apply for authorization under this  
13 section.

14 “(b) The application shall be made on a form prescribed by the Depart-  
15 ment of Revenue and the [*Oregon Business Development Department*] **Oregon**  
16 **Department of Commerce and Trade.**

17 “(c) The application shall be filed with the sponsor of the zone. A sponsor  
18 may require that the application filed with the sponsor be accompanied by  
19 a filing fee. If required, the filing fee may not exceed the greater of \$200 or  
20 one-tenth of one percent of the value of the investment in qualified property  
21 that is proposed in the application for authorization. The filing fee may be  
22 required for the filing of applications only after the sponsor adopts a policy,  
23 consistent with [*Oregon Business Development Department*] **Oregon Depart-**  
24 **ment of Commerce and Trade** rules, authorizing the imposition of the fil-  
25 ing fee.

26 “(2) The application shall contain the following information:

27 “(a) A description of the nature of the firm’s current and proposed busi-  
28 ness operations inside the boundary of the enterprise zone;

29 “(b) A description and estimated value of the qualified property to be  
30 constructed, added, modified or installed inside the boundary of the enter-

1 prise zone;

2 “(c) The number of employees of the firm that the firm employs within  
3 the enterprise zone, averaged over the previous 12 months, and an estimate  
4 of the number of employees that the firm will hire;

5 “(d) A commitment to meet all requirements of ORS 285C.200 and  
6 285C.215, and to verify compliance with these requirements;

7 “(e) A commitment to satisfy all additional conditions for authorization  
8 that are imposed by the enterprise zone sponsor under ORS 285C.150,  
9 285C.155 or 285C.205 or pursuant to an agreement entered into under ORS  
10 285C.160, and to verify compliance with these additional conditions;

11 “(f) A commitment to renew the application, consistent with ORS  
12 285C.165, every two years while the zone exists if the firm has not filed a  
13 claim under ORS 285C.220 that is based on the application; and

14 “(g) Any other information considered necessary by the Department of  
15 Revenue and the [*Oregon Business Development Department*] **Oregon De-**  
16 **partment of Commerce and Trade.**

17 “(3) After an application is submitted to a sponsor, the business firm may  
18 revise or amend the application. An amendment or revision may not be made  
19 on or after January 1 of the first assessment year for which the qualified  
20 property associated with the application is exempt under ORS 285C.175.

21 “(4) If an application for authorization appears to be complete and the  
22 proposed investment appears to be eligible for authorization, the sponsor and  
23 the business firm shall conduct a preauthorization conference. The assessor  
24 of the county in which the property will be located shall be timely notified  
25 and have the option to participate in the conference. The conference shall:

26 “(a) Identify issues with the potential to affect compliance with relevant  
27 exemption requirements, including but not limited to enterprise zone bound-  
28 ary amendments;

29 “(b) Arrange for methods and procedures to establish and verify compli-  
30 ance with applicable requirements; and



1 “(c) Identify the person who is obligated to notify the county assessor if  
2 requirements are not satisfied.

3 “(5) Upon completion of the preauthorization conference required under  
4 subsection (4) of this section, the sponsor shall prepare a written summary  
5 of the conference, attach the summary to the application and forward the  
6 application to the county assessor for review.

7 “(6) Following the preauthorization conference under subsection (4) of  
8 this section, the sponsor and the county assessor shall authorize the business  
9 firm by approving the application, if the sponsor and county assessor deter-  
10 mine that:

11 “(a) The current or proposed operations of the business firm in the en-  
12 terprise zone result in the firm being eligible under ORS 285C.135; and

13 “(b) The firm has made the commitments and provided the other infor-  
14 mation required under subsection (2) of this section.

15 “(7) If the business firm seeking authorization is an eligible business firm  
16 described in ORS 285C.135 (5)(b), the sponsor must, as a condition of ap-  
17 proving the application, make a formal finding that the business firm is an  
18 eligible business firm under ORS 285C.135 and that the size of the proposed  
19 investment, the employment at the facility of the firm or the nature of the  
20 activities to be undertaken by the firm within the enterprise zone will sig-  
21 nificantly enhance the local economy, promote the purposes for which the  
22 zone was created and increase employment within the zone.

23 “(8) The approval of both the sponsor and the county assessor under this  
24 section shall be prima facie evidence that the qualified property of the  
25 business firm will receive the property tax exemption under ORS 285C.175.  
26 In approving the application, the sponsor and county assessor shall provide  
27 proof of approval as directed by the [*Oregon Business Development Depart-*  
28 *ment*] **Oregon Department of Commerce and Trade.**

29 “(9) If the sponsor or county assessor fails or refuses to authorize the  
30 business firm, the business firm may appeal to the Oregon Tax Court under

1 ORS 305.404 to 305.560. The business firm shall provide copies of the firm's  
2 appeal to the sponsor, county assessor, the Department of Revenue and the  
3 [*Oregon Business Development Department*] **Oregon Department of Com-**  
4 **merce and Trade.**

5 “(10) Authorization under this section does not ensure that property con-  
6 structed, added, modified or installed by the authorized business firm will  
7 receive property tax exemption under ORS 285C.175. The sponsor and the  
8 county assessor are not liable in any way if the Department of Revenue or  
9 the county assessor later determines that an authorized business firm does  
10 not satisfy the requirements for an exemption on qualified property.

11 “(11) Notwithstanding subsection (1) of this section, if an eligible business  
12 firm has begun or completed the construction, addition, modification or in-  
13 stallation of property that meets the qualifications of ORS 285C.180, and the  
14 property has not yet been subject to property tax after having been placed  
15 in service, then, for purposes of ORS 285C.050 to 285C.250, the firm shall be  
16 authorized under this section if the firm files an application that is allowed  
17 under subsection (12) of this section and is otherwise authorized under this  
18 section.

19 “(12) Late submission of an application under this section is allowed if:

20 “(a) A rule permits late submissions of applications under this section;  
21 or

22 “(b) The Department of Revenue waives filing deadline requirements un-  
23 der this section. The department shall issue a letter to the eligible business  
24 firm and zone sponsor setting forth the waiver under this paragraph.

25 **“SECTION 255.** ORS 285C.145 is amended to read:

26 “285C.145. (1) The Legislative Assembly finds that the standard procedure  
27 for authorization in an enterprise zone inappropriately deters development  
28 or redevelopment of qualified buildings on speculation for subsequent sale  
29 or lease to eligible business firms.

30 “(2) Notwithstanding ORS 285C.140 (1), a new building or structure or an

1 addition to or modification of an existing building or structure may qualify  
2 for the exemption allowed under ORS 285C.175 if the qualified property is  
3 leased or sold by an unrelated party to one or more authorized business firms  
4 after commencement of the construction, addition or modification but prior  
5 to use or occupancy of the qualified property.

6 “(3) A business firm may not be considered authorized and is not qualified  
7 for the exemption allowed under ORS 285C.175 if the county assessor dis-  
8 covers prior to initially granting the exemption that the application for au-  
9 thorization was not submitted by the business firm in a timely manner in  
10 accordance with ORS 285C.140, except as allowed under subsection (2) of this  
11 section or ORS 285C.140 (11) and (12).

12 “(4) Records, communications or information submitted to a public body  
13 by a business firm for purposes of ORS 285C.050 to 285C.250 that identify a  
14 particular qualified property, that reveal investment plans prior to authori-  
15 zation, that include the compensation the firm provides to firm employees,  
16 that are described in ORS 192.355 (17) or that are submitted under ORS  
17 285C.225 or 285C.235 are exempt from disclosure under ORS 192.311 to 192.478  
18 and, as appropriate, shall be shared among the county assessor, the zone  
19 sponsor, the Department of Revenue and the [*Oregon Business Development*  
20 *Department*] **Oregon Department of Commerce and Trade.**

21 “**SECTION 256.** ORS 285C.163 is amended to read:

22 “285C.163. (1)(a) An agreement between a zone sponsor and a business  
23 firm seeking exemption within the enterprise zone of the sponsor, including,  
24 but not limited to, an agreement entered into under ORS 285C.160, may not  
25 become effective before the day that is 21 days following the date on which  
26 the zone sponsor makes the terms of the agreement public by posting them  
27 on the zone sponsor’s website. The name and any confidential or proprietary  
28 information of the business firm may not be made public under this sub-  
29 section.

30 “(b) The [*Oregon Business Development Department*] **Oregon Department**

1 **of Commerce and Trade** may adopt rules to implement this subsection.

2 “(2) Upon request, the department shall provide technical assistance to a  
3 zone sponsor intending to enter into an agreement with a business firm.

4 **“SECTION 257.** ORS 285C.200 is amended to read:

5 “285C.200. (1) The qualified property of an authorized business firm may  
6 be exempt from property taxation under ORS 285C.175 only if the firm meets  
7 the following qualifications:

8 “(a) The firm is an eligible business firm engaged in eligible business  
9 operations under ORS 285C.135 that are located inside the enterprise zone;

10 “(b) The firm owns or leases qualified property that is located inside the  
11 enterprise zone;

12 “(c) Except as otherwise provided in ORS 285C.203, the employment of the  
13 firm, on or before the earlier of April 1 or the date on which the initial ex-  
14 emption claim is filed under ORS 285C.220, following the year in which the  
15 qualified property is first placed in service in the enterprise zone, is not less  
16 than the greater of:

17 “(A) 110 percent of the annual average employment of the firm; or

18 “(B) The annual average employment of the firm plus one employee;

19 “(d) The firm does not diminish employment outside the enterprise zone  
20 as provided in subsection (4) or (5) of this section;

21 “(e) The firm does not substantially curtail operations within the enter-  
22 prise zone as described in ORS 285C.210; and

23 “(f) The firm complies in all material respects with local, Oregon and  
24 federal laws applicable to the firm’s operations inside the enterprise zone  
25 since the application for authorization and throughout the period of ex-  
26 emption, as prescribed by rule.

27 “(2) Notwithstanding subsection (1)(c) or (e) of this section, an eligible  
28 business firm may meet the qualifications of this section if the firm has  
29 satisfied the following requirements:

30 “(a) The firm is authorized subject to ORS 285C.155 and the firm satisfies

1 those requirements; and

2 “(b)(A) The firm completes an investment of \$25 million or more in qual-  
3 ified property; or

4 “(B) The firm fulfills the requirements of ORS 285C.205 and the employ-  
5 ment of the firm does not decrease below the annual average employment of  
6 the firm.

7 “(3) An authorized business firm that engages in both eligible and ineli-  
8 gible operations in an enterprise zone and is an eligible business firm be-  
9 cause of ORS 285C.135 (3) meets the qualifications of this section if:

10 “(a) The eligible operations of the firm under ORS 285C.135 meet the  
11 qualifications of this section; and

12 “(b) The employees of the firm work a majority of their time in eligible  
13 operations within the enterprise zone.

14 “(4) A business firm does not meet the qualifications of this section if the  
15 firm or any other firm under common control closes or permanently curtails  
16 operations in another part of the state more than 30 miles from the nearest  
17 boundary of the enterprise zone in which the firm seeks a property tax ex-  
18 emption. This subsection applies to the transfer of any of the business firm’s  
19 eligible operations to the enterprise zone from another part of the state, if  
20 the closure or permanent curtailment in the other part of the state dimin-  
21 ished employment in the county and more local labor markets after authori-  
22 zation and on or before December 31 of the first tax year for which any  
23 qualified property of the firm in that zone would otherwise be exempt under  
24 ORS 285C.175.

25 “(5) An authorized business firm that moves any of its employees from a  
26 site or sites within 30 miles from the nearest boundary of the enterprise zone  
27 after authorization may meet the qualifications under this section if the  
28 employment of the firm has been increased within the zone and at the site  
29 or sites from which the employees were transferred, no later than April 1  
30 preceding the first tax year for which qualified property of the firm is exempt

1 under ORS 285C.175, to not less than 110 percent of the annual average em-  
2 ployment of the firm within the zone and the site or sites from which the  
3 employees were transferred, calculated over the 12 months preceding the date  
4 of application for authorization.

5 “(6) For purposes of subsection (1)(f) of this section, the [*Oregon Business*  
6 *Development Department*] **Oregon Department of Commerce and Trade**  
7 shall adopt rules that define the effect of noncompliance on an eligible  
8 business firm’s continuing exemption in an enterprise zone and that indicate  
9 what is necessary to establish the noncompliance in terms of materiality of  
10 the relevant violation, the finality of applicable legal or regulatory pro-  
11 ceedings and judgments involving the firm, the failure by the firm to perform  
12 or submit to remedial or curative actions and similar factors.

13 “(7) As used in this section:

14 “(a) ‘Annual average employment of the firm’ means the average employ-  
15 ment of the firm, calculated over the 12 months preceding the date of appli-  
16 cation for authorization.

17 “(b) Except as provided in subsection (5) of this section, ‘employment of  
18 the firm’ means:

19 “(A) The number of employees working for the firm a majority of their  
20 time in eligible operations at locations throughout the enterprise zone; or

21 “(B) In the case of a firm described in ORS 285C.135 (5)(b), the number  
22 of employees working a majority of their time at the facility in the enterprise  
23 zone for which authorization was obtained.

24 “**SECTION 258.** ORS 285C.215 is amended to read:

25 “285C.215. (1) The qualified property of an authorized business firm may  
26 be exempt from property tax under ORS 285C.175 only if the firm enters into  
27 a first-source hiring agreement for the period of property tax exemption. The  
28 agreement must be executed prior to the assessment date for the first tax  
29 year for which qualified property of the firm is exempt under ORS 285C.175  
30 and must expire no sooner than December 31 of the final year of the ex-

1 exemption.

2 “(2)(a) If a firm has not entered into a first-source hiring agreement when  
3 qualified property of the firm is first placed in service, as of April 1 preced-  
4 ing the first tax year for which the authorized business firm claims an ex-  
5 emption for qualified property under ORS 285C.175, the sponsor shall inform  
6 the county assessor that an agreement under this section has not been exe-  
7 cuted.

8 “(b) A publicly funded job training provider having knowledge of the date  
9 when qualified property of the firm is first placed in service may also inform  
10 the county assessor that an agreement under this section has not been exe-  
11 cuted.

12 “(3) In accordance with rules adopted by the [*Oregon Business Develop-*  
13 *ment Department*] **Oregon Department of Commerce and Trade**, the Di-  
14 rector of the [*Oregon Business Development Department*] **Oregon**  
15 **Department of Commerce and Trade** may waive the requirements of sub-  
16 section (1) of this section for an authorized business firm. The rules adopted  
17 by the department shall provide for a waiver under this subsection when the  
18 director finds that:

19 “(a) The business firm is unable to employ persons referred under the  
20 agreement; or

21 “(b) The waiver would further the goals and purposes of applicable state  
22 policies.

23 **“SECTION 259.** ORS 285C.240 is amended to read:

24 “285C.240. (1) The county assessor of the county in which a qualified  
25 business firm is situated and the sponsor shall be notified in writing by the  
26 qualified business firm or by the owner of the qualified property leased by  
27 the qualified business firm not later than July 1 following the assessment  
28 year for which the exemption is claimed and in which one of the following  
29 events occurs:

30 “(a) Property granted exemption from taxation under ORS 285C.175 is

1 sold, exchanged, transported or otherwise disposed of for use outside the  
2 enterprise zone or for use by an ineligible business firm;

3 “(b) The qualified business firm closes or so reduces eligible operations  
4 that the reduction constitutes a substantial curtailment of operations under  
5 ORS 285C.210, unless a substantial curtailment of operations is permitted  
6 under ORS 285C.203;

7 “(c) The qualified business firm fails to meet any of the qualifications  
8 required under ORS 285C.200;

9 “(d) The qualified business firm fails to meet any condition that the firm  
10 is required to satisfy under ORS 285C.150, 285C.155, 285C.203 or 285C.205 or  
11 any term of an agreement entered into with the sponsor under ORS 285C.160  
12 with which the firm had agreed to comply;

13 “(e) The qualified business firm uses the property to conduct activities in  
14 the enterprise zone that are not eligible activities; or

15 “(f) Property of the qualified business firm for which exemption under  
16 ORS 285C.175 is claimed ceases to be qualified property under ORS 285C.180.

17 “(2) If the sponsor receives written notice under subsection (1) of this  
18 section, the sponsor shall immediately send a copy of the notice to the  
19 county assessor of the county in which the enterprise zone is situated.

20 “(3)(a) When an assessor receives written notice under subsection (1) or  
21 (2) of this section, the assessor shall:

22 “(A) Disqualify the property for the assessment years, if any, for which  
23 exemption under ORS 285C.175 is otherwise allowable following the disqual-  
24 ifying event; and

25 “(B) Impose 100 percent of the additional taxes calculated under ORS  
26 285C.175 against the property for each year for which the property had been  
27 granted exemption under ORS 285C.175.

28 “(b) Notwithstanding paragraph (a) of this subsection, if a qualified  
29 business firm fails to meet any of the requirements of an agreement entered  
30 into by the firm under ORS 285C.160 during the exemption, but meets all



1 other applicable requirements under ORS 285C.050 to 285C.250 during the  
2 first three years of the exemption, the qualified property of the firm may not  
3 be disqualified during the first three years of exemption for failure to comply  
4 with the requirements of the agreement entered into under ORS 285C.160.

5 “(c) The additional taxes assessed under this subsection shall be reduced  
6 by the amount, if any, paid by the qualified business firm to the sponsor  
7 under subsection (6) of this section for the same property.

8 “(4) If the qualified business firm or owner fails to give the notice on time  
9 or at all as required by subsection (1) of this section, upon discovering the  
10 property no longer qualifies for the exemption due to a circumstance de-  
11 scribed in subsection (1) of this section, the assessor shall:

12 “(a) Disqualify the property from exemption;

13 “(b) Compute the amount of additional taxes described in subsection (3)  
14 of this section as though notice had been given, and add to that amount a  
15 penalty equal to 20 percent of the total amount so computed; and

16 “(c) Add the property to the assessment and tax roll without the ex-  
17 emption as if the notice had been given.

18 “(5) The amount determined to be due under subsections (3) and (4) of this  
19 section:

20 “(a) May be paid to the tax collector before completion of the next gen-  
21 eral property tax roll pursuant to ORS 311.370; and

22 “(b) Shall be added to the tax extended against the property on the next  
23 general property tax roll to be collected and distributed in the same manner  
24 as the remainder of the property taxes.

25 “(6)(a) Notwithstanding subsections (3) and (5) of this section, if an  
26 assessor or sponsor receives notice from a business firm under subsection  
27 (1)(b), (c) or (d) of this section and the qualified business firm has not closed  
28 its operations, the sponsor may collect from the qualified business firm an  
29 amount equal to the property taxes for the qualified property in the assess-  
30 ment year for which the exemption is claimed in lieu of the amounts other-

1 wise due under subsection (3) of this section.

2 “(b) Moneys collected under paragraph (a) of this subsection shall be used  
3 by the sponsor to benefit the residents of the enterprise zone and for the  
4 development of jobs, skills and training for residents of the enterprise zone  
5 and the zone’s immediate vicinity.

6 “(c) This subsection applies only to the first notice given by the business  
7 firm under subsection (1)(b), (c) or (d) of this section.

8 “(d) If the sponsor does not receive the full amount to be paid by the  
9 qualified business firm under paragraph (a) of this subsection, the assessor  
10 shall disqualify the property and impose the entire amount of additional  
11 taxes as prescribed under subsection (3) of this section.

12 “(7) An assessor may not disqualify property under this section for failure  
13 by a qualified business firm or an owner of qualified property leased by the  
14 qualified business firm to notify the assessor or the enterprise zone sponsor  
15 that the qualified business firm does not meet requirements under ORS  
16 285C.150, 285C.155, 285C.160 or 285C.205, without having received written  
17 communication from the sponsor that demonstrates that the qualified busi-  
18 ness firm does not meet the requirements.

19 “(8) Additional taxes collected under this section shall be deemed to have  
20 been imposed in the year to which the additional taxes relate.

21 “(9) If property is disqualified from exemption under this section, the  
22 assessor shall notify the qualified business firm, and the owner of any qual-  
23 ified property that is leased by the firm, of the disqualification. The notifi-  
24 cation shall be made in writing. The assessor shall provide copies of the  
25 disqualification to the sponsor, the Department of Revenue and the [*Oregon*  
26 *Business Development Department*] **Oregon Department of Commerce and**  
27 **Trade**. The decision of the assessor to disqualify property under this section  
28 may be appealed to the Oregon Tax Court under ORS 305.404 to 305.560.

29 “**SECTION 260.** ORS 285C.245 is amended to read:

30 “285C.245. (1) An enterprise zone designated under ORS 285C.050 to

1 285C.250 shall terminate on the earliest of the date on which:

2 “(a) Ten years plus that number of days necessary to delay the date of  
3 termination to the June 30 next following have elapsed since the effective  
4 date of the designation;

5 “(b) The termination is requested or ordered under subsection (2) or (3)  
6 of this section, respectively; or

7 “(c) The enterprise zone is terminated under ORS 285C.255 (1)(c).

8 “(2)(a) The governing body of the zone sponsor may submit to the [*Oregon*  
9 *Business Development Department*] **Oregon Department of Commerce and**  
10 **Trade** a resolution requesting termination of an enterprise zone. The sponsor  
11 shall provide copies of the resolution to the county assessor and the De-  
12 partment of Revenue.

13 “(b) After receipt of the request, the Director of the [*Oregon Business*  
14 *Development Department*] **Oregon Department of Commerce and Trade**  
15 shall order termination of the enterprise zone and shall specify the effective  
16 date of the termination.

17 “(3)(a) If a zone sponsor is unable or unwilling to carry out its responsi-  
18 bilities under ORS 285C.105, the director shall order termination of the en-  
19 terprise zone and shall specify the effective date of the termination.

20 “(b)(A) Notwithstanding paragraph (a) of this subsection, in the case of  
21 failure to provide enhanced local public services, local incentives or local  
22 regulatory flexibility that the sponsor has established under ORS 285C.105,  
23 termination is not required if the sponsor provides to any affected author-  
24 ized, qualified or certified business firms new enhanced local public services,  
25 local incentives or local regulatory flexibility of comparable value, or makes  
26 reasonable corrections of shortcomings in existing local incentives.

27 “(B) A sponsor may reduce the time within which it will provide enhanced  
28 local public services, local incentives and local regulatory flexibility to a  
29 time period equal to the amount of time allowed for an exemption under ORS  
30 285C.175 or 285C.409 without causing termination under this section.

1 “(4) A reservation enterprise zone designated, or a reservation partnership  
2 zone cosponsored, under ORS 285C.306 shall terminate in accordance with  
3 subsection (1) of this section but may be redesignated at any time under ORS  
4 285C.306.

5 “(5) The termination of an enterprise zone under this section does not  
6 affect:

7 “(a) The continuation of a property tax exemption first allowed for the  
8 qualified property or facility of a business firm under ORS 285C.175 or  
9 285C.409, respectively, before the effective date of the termination of the  
10 enterprise zone; or

11 “(b) The ability of a business firm to claim exemption under ORS 285C.175  
12 or 285C.409 if:

13 “(A) The application for authorization or certification of the business firm  
14 was filed with the sponsor under ORS 285C.140 or 285C.403, respectively,  
15 before the effective date of the termination of the zone;

16 “(B) The business firm remains authorized or certified, as applicable, at  
17 the time the exemption is claimed;

18 “(C) The business firm completes construction, reconstruction, addition,  
19 modification or installation of the qualified property or facility, as applica-  
20 ble, within a reasonable time and without interruption of construction, re-  
21 construction, addition, modification or installation activity; and

22 “(D) The qualified property or facility meets all other applicable require-  
23 ments for exemption under ORS 285C.175 or 285C.409, respectively.

24 “(6)(a) A business firm that is currently authorized or qualified in an  
25 enterprise zone when the zone is terminated shall be allowed for 10 years  
26 after the effective date of the termination to apply for authorization under  
27 ORS 285C.140 and to subsequently claim the exemption under ORS 285C.175  
28 for any qualified property that is constructed, added, modified or installed  
29 inside the former enterprise zone boundaries, as those boundaries existed at  
30 the time of termination, and entirely outside the boundaries of any current

1 enterprise zone.

2 “(b) Construction, addition, modification or installation of qualified  
3 property must commence prior to the end of the final tax year for which  
4 qualified property of the firm is exempt under ORS 285C.175 and must be  
5 completed within a reasonable time and without interruption of construction,  
6 addition, modification or installation activity. The property must meet all  
7 other applicable requirements for exemption under ORS 285C.175.

8 “(7) Disqualification under ORS 285C.240 of all exempt property of a  
9 business firm:

10 “(a) After the effective date of the termination of the enterprise zone shall  
11 prohibit and terminate all authorizations sought or obtained by the business  
12 firm that would not be allowed but for subsection (6) of this section.

13 “(b) On or after the effective date of the termination of the enterprise  
14 zone shall cause the assessor to deny any claim for exemption under ORS  
15 285C.175 of qualified property of the business firm made for a subsequent tax  
16 year.

17 “(8)(a) A business firm that is currently certified in a rural enterprise  
18 zone when the zone is terminated shall be allowed for 10 years after the ef-  
19 fective date of the termination to apply for certification under ORS 285C.403  
20 and to subsequently claim the exemption under ORS 285C.409 for any facility  
21 that is constructed, reconstructed or installed inside the former rural enter-  
22 prise zone boundaries, as those boundaries existed at the time of termination,  
23 and entirely outside the boundaries of any current enterprise zone.

24 “(b) Construction, reconstruction or installation of the facility must  
25 commence prior to the end of the final tax year for which the facility of the  
26 firm is exempt under ORS 285C.409 and must be completed within a reason-  
27 able time and without interruption of construction, reconstruction or in-  
28 stallation activity.

29 “(c) The facility must meet all other applicable requirements for ex-  
30 emption under ORS 285C.409 and 285C.412.

1 “(9) Disqualification under ORS 285C.420 of all exempt facilities of a  
2 business firm:

3 “(a) After the effective date of the termination of the rural enterprise  
4 zone shall prohibit and terminate all certifications sought or obtained by the  
5 business firm that would not be allowed but for subsection (8) of this section.

6 “(b) On or after the effective date of the termination of the rural enter-  
7 prise zone shall cause the assessor to deny any claim for exemption under  
8 ORS 285C.409 of a facility of the business firm made for a subsequent tax  
9 year.

10 “**NOTE:** Section 261 was deleted by amendment. Subsequent sections were  
11 not renumbered.

12 “**SECTION 262.** ORS 285C.306 is amended to read:

13 “285C.306. (1) As used in this section, ‘eligible Indian tribe’ means each  
14 of the Burns Paiute Tribe, the Confederated Tribes of Coos, Lower Umpqua  
15 and Siuslaw Indians, the Confederated Tribes of the Grand Ronde Commu-  
16 nity of Oregon, the Confederated Tribes of Siletz Indians of Oregon, the  
17 Confederated Tribes of the Umatilla Indian Reservation, the Confederated  
18 Tribes of Warm Springs, the Coquille Indian Tribe, the Cow Creek Band of  
19 Umpqua Tribe of Indians and the Klamath Tribes, as long as each remains  
20 a federally recognized Indian tribe.

21 “(2)(a) The government of an eligible Indian tribe may request the [*Oregon*  
22 *Business Development Department*] **Oregon Department of Commerce and**  
23 **Trade** to designate one reservation enterprise zone. The reservation enter-  
24 prise zone may cover an area of no more than 12 square miles, which does  
25 not have to be contiguous.

26 “(b) Upon request, the department shall designate a reservation enterprise  
27 zone if the land for which zone designation is sought is:

28 “(A) Land held in trust by the United States for the benefit of the tribe;

29 “(B) Land for which an application to transfer the land into trust has  
30 been filed with the federal government and is pending; or

1 “(C) Land that is located within the boundaries of the tribe’s reservation.

2 “(c) Land designated as a reservation enterprise zone pursuant to para-  
3 graph (b)(A) or (B) of this subsection may be outside the boundaries of the  
4 tribe’s reservation.

5 “(3)(a) The government of an eligible Indian tribe may cosponsor a res-  
6 ervation partnership zone comprising an area of up to 12 square miles. A  
7 reservation partnership zone includes lands within the jurisdiction of a  
8 cosponsoring city, county or port and may include both lands held in trust  
9 by the federal government for the benefit of the tribe and lands within the  
10 boundaries of the tribe’s reservation.

11 “(b) A reservation partnership zone must be cosponsored by the govern-  
12 ment of an eligible Indian tribe and a city, county or port pursuant to an  
13 agreement formed under ORS 190.110 to perform the duties imposed on a  
14 sponsor under ORS 285C.050 to 285C.250.

15 “**SECTION 263.** ORS 285C.353 is amended to read:

16 “285C.353. (1) A county, a city in a rural area or a combination of con-  
17 tiguous counties may apply to the Director of the [*Oregon Business Devel-*  
18 *opment Department*] **Oregon Department of Commerce and Trade** for  
19 designation of the entire territory of the applicant that is located in a rural  
20 area as a rural renewable energy development zone.

21 “(2) An application for designation of a rural renewable energy develop-  
22 ment zone shall be in such form and shall contain such information as the  
23 [*Oregon Business Development Department*] **Oregon Department of Com-**  
24 **merce and Trade** prescribes by rule. The application shall include a copy  
25 of the resolution of the governing body of the city or each county that con-  
26 stitutes the applicant that states that the city or county seeks rural  
27 renewable energy development zone designation.

28 “(3) The director shall approve designation of the territory of the appli-  
29 cant as a rural renewable energy development zone, excluding any territory  
30 of an applicant that is not within a rural area at the time of designation.

1       “(4)(a) The designation of an area as a rural renewable energy develop-  
2 ment zone authorizes the exemption of up to an amount, determined as pre-  
3 scribed in paragraph (d) of this subsection, in real market value of property  
4 described in ORS 285C.359 that meets the requirements for exemption under  
5 ORS 285C.362.

6       “(b) An applicant may seek subsequent additional designations under this  
7 section. An application for additional designation shall be made in the same  
8 manner as an application for initial designation, and shall be approved by  
9 the director if the application for additional designation meets the quali-  
10 fications for designation under subsection (3) of this section.

11       “(c) Each additional designation approved under this section authorizes  
12 the exemption of a new amount, determined as prescribed in paragraph (d)  
13 of this subsection, in real market value of property described in ORS  
14 285C.359 that meets the requirements for exemption under ORS 285C.362.

15       “(d) Each amount authorized for exemption under this section shall be  
16 determined as follows:

17       “(A) The amount shall be set forth in the resolution described in sub-  
18 section (2) of this section.

19       “(B) If no amount is specified in the resolution described in subsection  
20 (2) of this section, the amount shall be \$250 million.

21       “(C) The amount may not exceed \$250 million for any single designation  
22 under this section.

23       “(D) The amount applies only to exemptions first claimed for a tax year  
24 that begins after January 1 following the date of adoption of the resolution  
25 described in subsection (2) of this section.

26       “(5) If an application for designation was made by one city or county, that  
27 city or county shall serve as sponsor of the rural renewable energy develop-  
28 ment zone. If the application for designation was made by two or more  
29 counties, the application shall identify which county shall serve as the  
30 sponsor of the zone.



1       **“SECTION 264.** ORS 285C.370 is amended to read:

2       “285C.370. The [*Oregon Business Development Department*] **Oregon De-**  
3 **partment of Commerce and Trade** may adopt rules for implementing and  
4 administering ORS 285C.350 to 285C.370, including rules that define terms.

5       **“SECTION 265.** ORS 285C.403 is amended to read:

6       “285C.403. (1)(a) A business firm proposing to apply for the tax exemption  
7 provided under ORS 285C.409 shall, before the commencement of construction  
8 or installation of property or improvements at a location in a rural enter-  
9 prise zone and before the hiring of employees, apply for certification with the  
10 sponsor of the zone and with the county assessor of the county or counties  
11 in which the zone is located.

12       “(b) A business firm may not be certified under this section if it is sig-  
13 nificantly engaged in operating a fulfillment center within the rural enter-  
14 prise zone from which deliveries are made to retail purchasers within, or in  
15 the region surrounding, the rural enterprise zone.

16       “(2) An application for certification shall be made on a form prescribed  
17 by the Department of Revenue and shall contain the following information:

18       “(a) A description of the firm’s proposed business operations and facility  
19 in the rural enterprise zone;

20       “(b) A description and estimated cost or value of the property or im-  
21 provements to be constructed or installed at the facility;

22       “(c) An estimate of the number of employees at the facility that will be  
23 hired by the firm;

24       “(d) A commitment to meet the applicable requirements of ORS 285C.412;

25       “(e) A commitment to satisfy all additional conditions agreed to pursuant  
26 to the written agreement between the rural enterprise zone sponsor and the  
27 business firm under subsection (3)(c) of this section; and

28       “(f) Any other information considered necessary by the Department of  
29 Revenue.

30       “(3) The sponsor and the county assessor shall certify the business firm

1 by approving the application if the sponsor and the county assessor deter-  
2 mine that all of the following requirements have been met:

3 “(a) The governing body of the county and city in which the facility is  
4 located has adopted a resolution approving the property tax exemption for  
5 the facility.

6 “(b) The business firm has committed to meet the applicable requirements  
7 of ORS 285C.412.

8 “(c) The business firm has entered into a written agreement with the  
9 sponsor of the rural enterprise zone that conforms to subsection (4) of this  
10 section.

11 “(d) When the written agreement required under paragraph (c) of this  
12 subsection is executed, the facility is located in:

13 “(A) A qualified rural county; or

14 “(B) A county with chronically low income or chronic unemployment,  
15 based on the most recently revised annual data available.

16 “(4)(a)(A) The written agreement required under subsection (3)(c) of this  
17 section shall state the number of consecutive tax years for which the facility,  
18 following commencement of operations, is to be exempt from property tax  
19 under ORS 285C.409.

20 “(B) The agreement may not provide for a period of exemption that is less  
21 than seven consecutive tax years or more than 15 consecutive tax years.

22 “(C) If the agreement is silent on the number of tax years for which the  
23 facility is to be exempt following placement in service, the exemption shall  
24 be for seven consecutive tax years.

25 “(b) The agreement must require a school support fee to be paid in ac-  
26 cordance with ORS 285C.405.

27 “(c) The agreement may include any additional requirements that the  
28 sponsor may reasonably request, including but not limited to contributions  
29 for local services or infrastructure benefiting the facility.

30 “(5) The approval of an application by both the sponsor and the county

1 assessor under subsection (3) of this section shall be prima facie evidence  
2 that the business firm will qualify for the property tax exemption under ORS  
3 285C.409.

4 “(6) The sponsor and the county assessor shall provide copies of an ap-  
5 proved application to the applicant, the Department of Revenue and the  
6 [*Oregon Business Development Department*] **Oregon Department of Com-  
7 merce and Trade.**

8 “(7) If the sponsor or the county assessor fails or refuses to certify the  
9 business firm, the business firm may appeal to the Oregon Tax Court under  
10 ORS 305.404 to 305.560. The business firm shall provide copies of the firm’s  
11 appeal to the sponsor, the county assessor, the [*Oregon Business Development*  
12 *Department*] **Oregon Department of Commerce and Trade** and the De-  
13 partment of Revenue.

14 **“SECTION 266.** ORS 285C.407 is amended to read:

15 “285C.407. (1)(a) An agreement between a zone sponsor and a business  
16 firm seeking exemption within the rural enterprise zone of the sponsor, in-  
17 cluding, but not limited to, a written agreement entered into under ORS  
18 285C.403, may not become effective before the day that is 21 days following  
19 the date on which the zone sponsor makes the terms of the agreement public  
20 by posting them on the zone sponsor’s website. The name and any confiden-  
21 tial or proprietary information of the business firm may not be made public  
22 under this subsection.

23 “(b) The [*Oregon Business Development Department*] **Oregon Department**  
24 **of Commerce and Trade** may adopt rules to implement this subsection.

25 “(2) Upon request, the department shall provide technical assistance to a  
26 zone sponsor intending to enter into an agreement with a business firm.

27 **“SECTION 267.** ORS 285C.503 is amended to read:

28 “285C.503. (1) A business firm seeking the income and corporate excise tax  
29 exemption allowed under ORS 316.778 or 317.391 shall, before the com-  
30 mencement of construction, reconstruction, modification or installation of

1 property or improvements at the location for which the exemption is sought  
2 and before the hiring of any employees at that location, apply to the [*Oregon*  
3 *Business Development Department*] **Oregon Department of Commerce and**  
4 **Trade** for preliminary certification under this section.

5 “(2) The application shall be on a form prescribed by the department and  
6 shall contain the following information:

7 “(a) The proposed location of the facility;

8 “(b) A description of the property to be constructed, reconstructed, modi-  
9 fied, acquired, installed or leased and that is to comprise the facility when  
10 the business firm commences business operations at the facility;

11 “(c) If any property described in paragraph (b) of this subsection is to be  
12 leased, the term of the lease;

13 “(d) The number of full-time, year-round employees the business firm in-  
14 tends to hire;

15 “(e) The minimum annual average compensation intended to be given to  
16 the employees described in paragraph (d) of this subsection;

17 “(f) A description of any other business activities of the firm in this state  
18 at the time of application, sufficient for the department to be able to deter-  
19 mine if the proposed facility will constitute a new business in this state; and

20 “(g) Any other information that the department requires.

21 “(3) An application filed under this section must be accompanied by a fee  
22 in an amount prescribed by the [*Oregon Business Development Department*]  
23 **Oregon Department of Commerce and Trade** by rule. The fee required  
24 by the department may not exceed \$500.

25 “(4)(a) When an application is filed under this section, the department  
26 shall send copies of the application to the governing bodies of the city and  
27 county in which the facility is proposed to be located. If the facility is to  
28 be located within a port, the department shall also send a copy of the ap-  
29 plication to the governing body of the port.

30 “(b) The governing body of a city, port or county described in paragraph

1 (a) of this subsection may object to the preliminary certification of a busi-  
2 ness firm if the firm would be:

3 “(A) In competition with an existing business employing individuals  
4 within the city, port or county; or

5 “(B) Incompatible with economic growth or development standards that  
6 the city, port or county had adopted prior to the date of application for  
7 preliminary certification.

8 “(c) If the governing body of the city, port or county decides to object to  
9 preliminary certification of the firm, the governing body shall adopt a re-  
10 solution stating its objection and the reason for its objection.

11 “(d) The governing body of a city, port or county has 60 days from the  
12 date the application is sent to the city, port or county to object to prelimi-  
13 nary certification. If the objection is not made within the 60-day period, the  
14 city, port or county shall be deemed to have agreed to preliminary certi-  
15 fication.

16 “(5) When an application is filed under this section, the department shall  
17 review the application and determine whether all of the following require-  
18 ments are met:

19 “(a) The proposed facility is to be located at a qualified location.

20 “(b) The proposed facility is intended to operate as a facility for at least  
21 10 years following the date the facility becomes operational.

22 “(c) The business firm intends to hire at least five employees for full-time,  
23 year-round employment.

24 “(d)(A) The newly hired employees described in paragraph (c) of this  
25 subsection are to receive a minimum annual compensation of:

26 “(i) 150 percent of the county per capita personal income of the county  
27 in which the facility is to be located determined as of the date of the appli-  
28 cation for preliminary certification;

29 “(ii) 100 percent of the county per capita personal income of the county  
30 in which the facility is to be located determined as of the date of the appli-

1 cation for preliminary certification and the business firm will provide health  
2 insurance coverage to the employees at the facility who are described in  
3 paragraph (c) of this subsection that equals or exceeds the health insurance  
4 benefits provided to employees of the city, port or county in which the fa-  
5 cility is to be located; or

6 “(iii) If the facility is to be located in a county that is outside all met-  
7 ropolitan statistical areas, as defined by the most recent federal decennial  
8 census, 130 percent of the county per capita personal income of the county  
9 in which the facility is to be located determined as of the date of the appli-  
10 cation for preliminary certification.

11 “(B) Notwithstanding subparagraph (A) of this paragraph, the average  
12 wage received by the newly hired employees must equal or exceed 100 percent  
13 of the average wage in the county.

14 “(e) The business operations of the business firm that are to be conducted  
15 at the facility constitute a new business that the firm does not operate at  
16 another location in this state.

17 “(f) The business operations of the business firm will not compete with  
18 existing businesses in the city or county in which the facility is to be lo-  
19 cated.

20 “(6) If the department determines that the proposed facility, if completed  
21 as described in the application, meets the criteria set forth in subsection (5)  
22 of this section and the governing body of the city, port or county does not  
23 object under subsection (4) of this section to preliminary certification of the  
24 firm, the department shall issue a preliminary certification to the firm.

25 “(7) If the department determines that the proposed facility, as set forth  
26 in the application, does not meet the requirements for preliminary certifica-  
27 tion under this section, the department may not issue a preliminary certi-  
28 fication. The applicant may appeal the decision to not issue a preliminary  
29 certification in the manner of a contested case under ORS chapter 183. No  
30 appeal may be made if the reason for not issuing a preliminary certification

1 is the objection of the governing body of the city, port or county under  
2 subsection (4) of this section.

3 **“SECTION 268.** ORS 285C.506 is amended to read:

4 “285C.506. (1) Following completion of the construction, reconstruction,  
5 modification, acquisition, installation or lease of the facility, the hiring of  
6 employees to conduct business operations at the facility and the commence-  
7 ment of operations at the facility, a business firm that obtained preliminary  
8 certification under ORS 285C.503 may apply for annual certification under  
9 this section.

10 “(2) The application shall be filed with the [*Oregon Business Development*  
11 *Department*] **Oregon Department of Commerce and Trade** on or before  
12 30 days after the end of the income or corporate excise tax year of the  
13 business firm.

14 “(3) The application shall contain the following information:

15 “(a) A description of the business operations conducted at the facility;

16 “(b) The date business operations commenced at the facility;

17 “(c) The number of full-time, year-round employees employed by the busi-  
18 ness firm at the facility;

19 “(d) A schedule of the annual compensation paid to the employees; and

20 “(e) Any other information required by the department.

21 “(4) An application filed under this section must be accompanied by a fee  
22 in an amount prescribed by the department by rule. The fee required by the  
23 department may not exceed \$100.

24 “(5) The department shall review a business firm’s application and ap-  
25 prove the application if:

26 “(a) The business operations of the firm at the facility commenced at least  
27 24 months before the date of application for annual certification but within  
28 10 years before the end of the tax year preceding the date of application for  
29 annual certification; and

30 “(b) The business firm has satisfied the employment and minimum com-

1   pensation requirements described in ORS 285C.503 (5)(c) and (d).

2       “(6) In the case of the first application for annual certification filed by  
3   a business firm under this section, the department may approve the applica-  
4   tion only if, in addition to the requirements of subsection (5) of this section:

5       “(a) Business operations commenced at the facility within a reasonable  
6   period of time, as determined by the department by rule, following the date  
7   of preliminary certification under ORS 285C.503;

8       “(b) There has not been a significant interruption in construction, recon-  
9   struction, modification or installation activity at the location, as determined  
10   by the department by rule, following the date of preliminary certification  
11   under ORS 285C.503; and

12       “(c) The facility and the business operations actually conducted at the  
13   facility are reasonably similar to the proposed facility and proposed oper-  
14   ations described in the application for preliminary certification.

15       “(7) After the first application for annual certification, the department  
16   may approve a subsequent application or certification filed under this section  
17   only if:

18       “(a) The business firm meets the requirements of subsection (5) of this  
19   section; and

20       “(b) The facility and the business operations actually conducted at the  
21   facility retain similar characteristics to the facility and the business oper-  
22   ations actually conducted at the facility during the period of prior certi-  
23   fication. This paragraph does not preclude an applicant from changing the  
24   location of the facility, the ownership or organization of the business firm  
25   or other aspects of the facility or business firm that are within the intent  
26   of ORS 285C.500 to 285C.506 if the change is made in accordance with rules  
27   adopted by the department.

28       “(8) The department may consult with the city or county in determining  
29   whether to approve or disapprove an application under this section.

30       “(9) If the department approves an application, it shall issue an annual



1 certification to the business firm.

2 “(10) If the department disapproves an application, the business firm or  
3 any owner of the business firm may not be allowed the exemption described  
4 in ORS 316.778 or 317.391 for the tax year for which the annual certification  
5 was sought or for any subsequent tax year.

6 “(11) The decision of the department to disapprove an application under  
7 this section may be appealed in the manner of a contested case under ORS  
8 chapter 183.

9 “(12) An annual certification may not be issued under this section for a  
10 tax year that is more than nine consecutive tax years following the first tax  
11 year an exemption is allowed under ORS 316.778 or 317.391 with respect to  
12 the facility.

13 “(13) The department must approve or disapprove an application under  
14 this section within 30 days of the date the application is filed.

15 **“SECTION 269.** ORS 285C.540 is amended to read:

16 “285C.540. As used in ORS 285C.540 to 285C.559:

17 “(1) ‘Component parts of electric vehicles’ does not include:

18 “(a) Parts that may be used in both electric and conventional vehicles;

19 or

20 “(b) Batteries.

21 “(2) ‘Cost’ means the capital costs and expenses necessarily incurred in  
22 the erection, construction, installation and acquisition of a facility.

23 “(3) ‘Electric vehicles’ means vehicles that are designed for use as Class  
24 I or Class II all-terrain vehicles, as those terms are defined in ORS 801.190  
25 and 801.193, and that are used for agricultural, commercial, industrial or  
26 governmental purposes, or vehicles that are designed for use as modes of  
27 transportation on public roads and highways. The Director of the [*Oregon*  
28 *Business Development Department*] **Oregon Department of Commerce and**  
29 **Trade** may further define ‘agricultural, commercial, industrial or govern-  
30 mental purposes’ of electric vehicles by rule.

1 “(4)(a) ‘Renewable energy resource’ includes, but is not limited to:  
2 “(A) Straw, forest slash, wood waste or other wastes from farm or forest  
3 land, nonpetroleum plant or animal based biomass, ocean wave energy, solar  
4 energy, wind power, water power or geothermal energy;  
5 “(B) A hydroelectric generating facility that obtains all applicable per-  
6 mits and complies with all state and federal statutory requirements for the  
7 protection of fish and wildlife and that:  
8 “(i) Does not exceed 10 megawatts of installed capacity; or  
9 “(ii) Qualifies as a research, development or demonstration facility; or  
10 “(C) A renewable energy storage device as defined by the director by rule.  
11 “(b) ‘Renewable energy resource’ does not include a hydroelectric gener-  
12 ating facility that is not described in paragraph (a) of this subsection.  
13 “(5) ‘Renewable energy resource equipment manufacturing facility’ means  
14 any structure, building, installation, excavation, device, machinery or  
15 equipment, or an addition, reconstruction or improvement to land, to an ex-  
16 isting structure, building, installation, excavation or device or to existing  
17 machinery or equipment, that is necessarily acquired, constructed or in-  
18 stalled by a person in connection with the conduct of a trade or business and  
19 that is used primarily to manufacture:  
20 “(a) Component parts of electric vehicles.  
21 “(b) Electric vehicles.  
22 “(c) Equipment, machinery or other products designed to use a renewable  
23 energy resource and that meets the criteria established under ORS 285C.543.  
24 “(d) Renewable energy storage devices.  
25 **“SECTION 270.** ORS 285C.543 is amended to read:  
26 “285C.543. The [*Oregon Business Development Department*] **Oregon De-**  
27 **partment of Commerce and Trade** shall by rule establish all of the fol-  
28 lowing criteria:  
29 “(1) Standards relating to the type of equipment, machinery or other  
30 products being manufactured and related performance and efficiency stan-

1 dards applicable to the manufactured products;

2 “(2) Standards, consistent with the definitions in ORS 285C.540 and re-  
3 lating to what constitutes a single renewable energy resource equipment  
4 manufacturing facility, that include:

5 “(a) Standards establishing what constitutes property that is not included  
6 within a facility; and

7 “(b) The consideration of such factors as phases of development, expan-  
8 sion of or additions to existing facilities or product lines, increased pro-  
9 duction and number of jobs created or maintained by an applicant;

10 “(3) Standards requiring that the minimum levels of increased employment  
11 in Oregon for a facility are proportionate to industry standards and to the  
12 amount of tax credit allowed;

13 “(4) Standards requiring that the compensation paid and benefits provided  
14 to employees of an applicant meet or exceed the national average in annual  
15 compensation for comparable employment;

16 “(5) Standards that can be independently reviewed by a third party:

17 “(a) Relating to indicators of financial viability of an applicant for pre-  
18 liminary certification under ORS 285C.547; and

19 “(b) Relating to the likelihood of long-term operation and success of a  
20 facility; and

21 “(6) Standards relating to the likelihood that an applicant seeking pre-  
22 liminary certification of a facility will base decisions to locate or expand a  
23 facility in Oregon on the allowance of a tax credit under ORS 315.341.

24 “**SECTION 271.** ORS 285C.545 is amended to read:

25 “285C.545. (1) For a renewable energy resource equipment manufacturing  
26 facility, the total cost that receives a preliminary certification from the Di-  
27 rector of the [*Oregon Business Development Department*] **Oregon Depart-**  
28 **ment of Commerce and Trade** for tax credits in any calendar year may  
29 not exceed:

30 “(a) \$2.5 million in the case of a facility used to manufacture electric

1 vehicles or component parts of electric vehicles; or

2 “(b) \$40 million, in the case of any other facility.

3 “(2) Notwithstanding subsection (1) of this section, the director may cer-  
4 tify a lesser amount than the total cost of the facility, or need not certify  
5 any amount, if any of the following conditions exist at the time of prelimi-  
6 nary certification:

7 “(a) The last quarterly economic and revenue forecast for a biennium in-  
8 dicates that moneys available to the General Fund for the next biennium  
9 will be at least three percent less than appropriations from the General Fund  
10 for the current biennium;

11 “(b) A quarterly economic and revenue forecast projects that revenues in  
12 the General Fund in the current biennium will be at least two percent below  
13 what revenues were projected to be in the revenue forecast on which the  
14 legislatively adopted budget, as defined in ORS 291.002, for the current  
15 biennium was based;

16 “(c) The proposed facility, in the estimate of the director, does not possess  
17 the likelihood of success established in criteria of success under ORS  
18 285C.543 (5);

19 “(d) The proposed facility, in the estimate of the director, is not likely to  
20 increase employment in Oregon to the minimum levels required in rules  
21 adopted under ORS 285C.543 (3);

22 “(e) The applicant lacks the minimum level of financial viability estab-  
23 lished in rules adopted under ORS 285C.543 (5);

24 “(f) The applicant is unlikely, in the estimate of the director, to base a  
25 decision to relocate or expand a facility in Oregon on allowance of the tax  
26 credit, given the criteria established in rules under ORS 285C.543 (6); or

27 “(g) During a time period listed in section 15, chapter 474, Oregon Laws  
28 2011, the director receives applications for preliminary certification with a  
29 total amount of potential tax credits in excess of the limitation for the time  
30 period.

1 “(3) The director shall determine the dollar amount certified for any fa-  
2 cility and the priority between applications for certification based upon the  
3 criteria contained in ORS 285C.540 to 285C.559 and applicable rules and  
4 standards adopted under ORS 285C.540 to 285C.559. The director may con-  
5 sider the status of a facility as a research, development or demonstration  
6 facility of new renewable resource generating and conservation technologies  
7 in the determination.

8 **“SECTION 272.** ORS 285C.547 is amended to read:

9 “285C.547. (1) Prior to erection, construction, installation or acquisition  
10 of a proposed renewable energy resource equipment manufacturing facility,  
11 any person may apply to the [*Oregon Business Development Department*]  
12 **Oregon Department of Commerce and Trade** for preliminary certification  
13 under ORS 285C.551 if:

14 “(a) The facility complies with the standards or rules adopted by the Di-  
15 rector of the [*Oregon Business Development Department*] **Oregon Depart-**  
16 **ment of Commerce and Trade**; and

17 “(b) The applicant meets one of the following criteria:

18 “(A) The applicant is a person to whom a tax credit for the facility has  
19 been transferred; or

20 “(B) The applicant will be the owner, contract purchaser or lessee of the  
21 facility at the time of erection, construction, installation or acquisition of  
22 the proposed facility, and:

23 “(i) The applicant is the owner, contract purchaser or lessee of a trade  
24 or business that plans to utilize the facility in connection with Oregon  
25 property; or

26 “(ii) The applicant is the owner, contract purchaser or lessee of a trade  
27 or business that plans to lease the facility to a person that will utilize the  
28 facility in connection with Oregon property.

29 “(2) An application for preliminary certification shall be made in writing  
30 on a form prepared by the department and shall contain:

1       “(a) A statement that the applicant or the lessee of the applicant’s facility  
2 plans to acquire, construct or install a facility.

3       “(b) A detailed description of the proposed facility and its operation and  
4 information showing that the facility will operate as represented in the ap-  
5 plication and remain in operation for at least five years, unless the director  
6 by rule specifies a shorter period of operation.

7       “(c) The projected cost of the facility.

8       “(d) Information on the number and type of jobs that will be created, the  
9 number of jobs sustained throughout the construction, installation and op-  
10 eration of the facility and the benefits of the facility with regard to overall  
11 economic activity in this state.

12       “(e) Information demonstrating that the proposed facility will comply  
13 with applicable state and local laws and regulations and obtain required li-  
14 censes and permits.

15       “(f) Information relating to the criteria described in ORS 469B.136.

16       “(g) Any other information the director considers necessary to determine  
17 whether the proposed facility is in accordance with the provisions of ORS  
18 285C.540 to 285C.559, and any applicable rules or standards adopted by the  
19 director.

20       “(3) An application for preliminary certification shall be accompanied by  
21 a fee established under ORS 285C.555. The director may refund all or a por-  
22 tion of the fee if the application for certification is rejected.

23       “(4) The director may allow an applicant to file the preliminary applica-  
24 tion after the start of erection, construction, installation or acquisition of  
25 the facility if the director finds:

26       “(a) Filing the application before the start of erection, construction, in-  
27 stallation or acquisition is inappropriate because special circumstances ren-  
28 der filing earlier unreasonable; and

29       “(b) The facility would otherwise qualify for tax credit certification pur-  
30 suant to ORS 285C.540 to 285C.559.

1 “(5) A preliminary certification shall remain valid for a period of five  
2 calendar years after the date the preliminary certification is issued by the  
3 director.

4 **“SECTION 273.** ORS 285C.549 is amended to read:

5 “285C.549. (1) The owner, contract purchaser or lessee of a renewable  
6 energy resource equipment manufacturing facility may transfer a tax credit  
7 for the facility in exchange for a cash payment equal to the present value  
8 of the tax credit.

9 “(2) The Director of the [*Oregon Business Development Department*]  
10 **Oregon Department of Commerce and Trade** shall establish by rule a  
11 formula to be employed in the determination of prices of credits transferred  
12 under this section. In establishing the formula the department shall incor-  
13 porate inflation projections and market real rate of return.

14 “(3) The director shall recalculate credit transfer prices quarterly, em-  
15 ploying the formula established under subsection (2) of this section.

16 **“SECTION 274.** ORS 285C.551 is amended to read:

17 “285C.551. (1) The Director of the [*Oregon Business Development Depart-*  
18 *ment*] **Oregon Department of Commerce and Trade** may require the sub-  
19 mission of plans, specifications and contract terms and after examination of  
20 the plans, specifications and terms, may request corrections and revisions.

21 “(2) If the director determines that the proposed erection, construction,  
22 installation or acquisition is technically feasible and should operate in ac-  
23 cordance with the representations made by the applicant, and is in accord-  
24 ance with the provisions of ORS 285C.540 to 285C.559 and any applicable  
25 rules or standards adopted by the director, the director shall issue a pre-  
26 liminary certificate approving the erection, construction, installation or ac-  
27 quisition of the facility. The certificate shall indicate the potential amount  
28 of tax credit allowable and shall list any conditions for claiming the credit.

29 “(3) The director may issue an order altering, conditioning, suspending  
30 or denying preliminary certification if the director determines that:

1 “(a) The erection, construction, installation or acquisition does not com-  
2 ply with the provisions of ORS 285C.540 to 285C.559 and applicable rules and  
3 standards;

4 “(b) The applicant has previously received preliminary or final certifica-  
5 tion for the same costs;

6 “(c) The applicant is unable to demonstrate that the facility would be  
7 economically viable without the allowance of additional credits under ORS  
8 315.341;

9 “(d) The applicant was directly involved in an act for which the director  
10 has levied civil penalties or revoked, canceled or suspended any certification  
11 under ORS 285C.540 to 285C.559; or

12 “(e) The applicant or the principal, director, officer, owner, majority  
13 shareholder or member of the applicant, or the manager of the applicant if  
14 the applicant is a limited liability company, is in arrears for payments owed  
15 to any government agency while in any capacity with direct or indirect  
16 control over a business.

17 **“SECTION 275.** ORS 285C.553 is amended to read:

18 “285C.553. (1) A final certification may not be issued by the Director of  
19 the [*Oregon Business Development Department*] **Oregon Department of**  
20 **Commerce and Trade** under this section unless:

21 “(a) The renewable energy resource equipment manufacturing facility was  
22 erected, constructed, installed or acquired under a preliminary certificate of  
23 approval issued under ORS 285C.551 or 469B.157;

24 “(b) The applicant demonstrates the ability to provide the information  
25 required by ORS 285C.547 (2) and does not violate any condition that may  
26 be imposed as described in ORS 285C.551 (3); and

27 “(c) The facility was erected, constructed, installed or acquired in ac-  
28 cordance with the applicable provisions of ORS 285C.540 to 285C.559 and any  
29 applicable rules or standards adopted by the director.

30 “(2) Any person may apply to the [*Oregon Business Development Depart-*



1 *ment*] **Oregon Department of Commerce and Trade** for final certification  
2 of a facility:

3 “(a) If the person received preliminary certification for the facility under  
4 ORS 285C.551 or under ORS 469B.157; and

5 “(b)(A) After completion of erection, construction, installation or acqui-  
6 sition of the proposed facility; or

7 “(B) After transfer of the facility, as provided in ORS 315.341 (4).

8 “(3) An application for final certification shall be made in writing on a  
9 form prepared by the department and shall contain:

10 “(a) A statement that the conditions of the preliminary certification have  
11 been complied with;

12 “(b) The actual cost of the facility certified to by a certified public ac-  
13 countant who is not an employee of the applicant or, if the actual cost of  
14 the facility is less than \$50,000, copies of receipts for purchase and installa-  
15 tion of the facility;

16 “(c) The amount of the credit under ORS 315.341 that is to be claimed;

17 “(d) The number and type of jobs created by the operation and mainte-  
18 nance of the facility over the five-year period beginning with the year of  
19 preliminary certification under ORS 285C.551 and information on the benefits  
20 of the facility with regard to overall economic activity in this state;

21 “(e) Information sufficient to demonstrate that the facility will remain in  
22 operation for at least five years, unless the director by rule specifies a  
23 shorter period of operation;

24 “(f) Information sufficient to demonstrate, in the case of a research, de-  
25 velopment or demonstration facility that is not in operation, that the appli-  
26 cant has made reasonable efforts to make the facility operable and to meet  
27 the requirements of the preliminary certificate;

28 “(g) Documentation of compliance with applicable state and local laws  
29 and regulations and licensing and permitting requirements as defined by the  
30 director; and

1       “(h) Any other information determined by the director to be necessary  
2 prior to issuance of a final certificate, including inspection of the facility  
3 by the department.

4       “(4) The director shall act on an application for certification before the  
5 60th day after the filing of the application under this section. The director  
6 may issue the certificate together with such conditions as the director de-  
7 termines are appropriate to promote the purposes of ORS 285C.540 to  
8 285C.559 and 315.341. If the applicant is an entity subject to regulation by  
9 the Public Utility Commission, the director may consult with the commission  
10 prior to issuance of the certificate. The action of the director shall include  
11 certification of the actual cost of the facility. However, the director may not  
12 certify an amount for tax credit purposes that is more than the amount ap-  
13 proved in the preliminary certificate issued for the facility.

14       “(5) If the director rejects an application for final certification, or certi-  
15 fies a lesser actual cost of the facility than was claimed in the application,  
16 the director shall send to the applicant written notice of the action, together  
17 with a statement of the findings and reasons for the action, by certified mail,  
18 before the 60th day after the filing of the application. Failure of the director  
19 to act constitutes rejection of the application.

20       “(6) Upon approval of an application for final certification of a facility,  
21 the director shall certify the facility. Each certificate shall bear a separate  
22 serial number for each device. Where one or more devices constitute an  
23 operational unit, the director may certify the operational unit under one  
24 certificate.

25       “(7) The director shall enter into a performance agreement with the ap-  
26 plicant at the time of certification under this section. The performance  
27 agreement shall include conditions with which the applicant must comply in  
28 order to maintain certification, including a deadline by which the applicant  
29 must comply with the employment and compensation standards of ORS  
30 285C.543 (3) and (4).

1 “(8) The director may establish by rule timelines and intermediate dead-  
2 lines for submission of application materials.

3 **“SECTION 276.** ORS 285C.555 is amended to read:

4 “285C.555. By rule and after hearing, the Director of the [*Oregon Business*  
5 *Development Department*] **Oregon Department of Commerce and Trade**  
6 may adopt a schedule of reasonable fees that the [*Oregon Business Develop-*  
7 *ment Department*] **Oregon Department of Commerce and Trade** may re-  
8 quire of applicants for preliminary or final certification under ORS 285C.540  
9 to 285C.559. Before the adoption or revision of the fees, the department shall  
10 estimate the total cost of the program to the department. The fees shall be  
11 used to recover the anticipated cost of filing, investigating, granting and  
12 rejecting applications for certification and shall be designed not to exceed  
13 the total cost estimated by the department. Any excess fees shall be held  
14 by the department and shall be used by the department to reduce any future  
15 fee increases. The fee may vary according to the size and complexity of the  
16 facility. The fee is not considered part of the cost of the facility to be cer-  
17 tified.

18 **“SECTION 277.** ORS 285C.557 is amended to read:

19 “285C.557. (1) A certificate issued under ORS 285C.553 or 469B.161 is re-  
20 quired for purposes of obtaining tax credits in accordance with ORS 315.341.  
21 Such certification shall be granted for a period not to exceed five years. The  
22 five-year period shall begin with the tax year of the applicant during which  
23 the completed application for final certification of the facility under ORS  
24 285C.553 is received by the [*Oregon Business Development Department*]  
25 **Oregon Department of Commerce and Trade.**

26 “(2) If the original owner of the certificate uses any portion of the credit,  
27 the certificate becomes nontransferable.

28 “(3) For a transferee holding a credit that has been transferred under ORS  
29 285C.549, the five-year period shall begin with the tax year in which the  
30 transferee pays for the credit.

1       **“SECTION 278.** ORS 285C.559 is amended to read:

2       “285C.559. (1) Under the procedures for a contested case under ORS  
3 chapter 183, the Director of the [*Oregon Business Development Department*]  
4 **Oregon Department of Commerce and Trade** may order the suspension  
5 or revocation of the certificate issued under ORS 285C.553 or 469B.161 if the  
6 director finds that:

7       “(a) The certification was obtained by fraud or misrepresentation;

8       “(b) The holder of the certificate or the operator of the facility has failed  
9 to construct or operate the facility in compliance with the plans, specifica-  
10 tions and procedures in the certificate or the performance agreement; or

11       “(c) The facility is no longer in operation.

12       “(2) As soon as the order of revocation under this section becomes final,  
13 the director shall notify the Department of Revenue, the facility owner,  
14 contract purchaser or lessee and any transferee under ORS 285C.549 of the  
15 order of revocation. Upon notification, the Department of Revenue imme-  
16 diately shall proceed to collect:

17       “(a) In the case in which no portion of a certificate has been transferred  
18 under ORS 285C.549, those taxes not paid by the certificate holder as a result  
19 of the tax credits provided to the certificate holder under ORS 315.341, from  
20 the certificate holder or a successor in interest to the business interests of  
21 the certificate holder. All prior tax credits provided to the holder of the  
22 certificate by virtue of the certificate shall be forfeited.

23       “(b) In the case in which all or a portion of a certificate has been trans-  
24 ferred under ORS 285C.549, the maximum theoretical amount of the tax  
25 credits allowable under ORS 315.341, from the transferor.

26       “(3)(a) The Department of Revenue shall have the benefit of all laws of  
27 this state pertaining to the collection of income and excise taxes and may  
28 proceed to collect the amounts described in subsection (2) of this section  
29 from the person that obtained certification from the State Department of  
30 Energy or from the [*Oregon Business Development Department*] **Oregon De-**

1 **partment of Commerce and Trade**, or any successor in interest to the  
2 business interests of that person. No assessment of tax shall be necessary  
3 and no statute of limitation shall preclude the collection of taxes described  
4 in this subsection.

5 “(b) For purposes of this subsection, a lender, bankruptcy trustee or other  
6 person that acquires an interest through bankruptcy or through foreclosure  
7 of a security interest is not considered to be a successor in interest to the  
8 business interests of the person that obtained certification.

9 “(4) Notwithstanding subsections (1) to (3) of this section, a certificate  
10 or portion of a certificate held by a transferee under ORS 285C.549 may not  
11 be considered revoked for purposes of the transferee, the tax credit allowable  
12 to the transferee under ORS 315.341 may not be reduced and a transferee is  
13 not liable under subsections (2) and (3) of this section.

14 **“SECTION 279.** ORS 285C.600 is amended to read:

15 “285C.600. As used in ORS 285C.600 to 285C.635:

16 “(1) ‘Business firm’ has the meaning given that term in ORS 285C.050.

17 “(2) ‘Consumer Price Index for All Urban Consumers, West Region’ means  
18 the Consumer Price Index for All Urban Consumers, West Region (All Items),  
19 as published by the Bureau of Labor Statistics of the United States Depart-  
20 ment of Labor.

21 “(3) ‘Eligible project’ means a project that meets criteria established by  
22 the [*Oregon Business Development Commission*] **Oregon Commerce and**  
23 **Trade Commission** to be exempt from property taxation under ORS 307.123.

24 “(4) ‘First-source hiring agreement’ has the meaning given that term in  
25 ORS 285C.050.

26 “(5) ‘Newly created jobs’ means, for an eligible project, total jobs less  
27 retained jobs.

28 “(6) ‘Publicly funded job training provider’ has the meaning given that  
29 term in ORS 285C.050.

30 “(7) ‘Rural area’ means an area located entirely outside of the urban

1 growth boundary of a city with a population of 40,000 or more, as the urban  
2 growth boundary is acknowledged on the date on which an applicant submits  
3 an application, pursuant to rules adopted by the [*Oregon Business Develop-*  
4 *ment Department*] **Oregon Department of Commerce and Trade**, for  
5 property tax exemption under ORS 307.123.

6 “(8) ‘Strategic investment zone’ means a geographic area established un-  
7 der ORS 285C.623, within which the property of eligible projects may be ex-  
8 empt from property taxation under ORS 307.123.

9 **“SECTION 280.** ORS 285C.606 is amended to read:

10 “285C.606. (1) The State of Oregon, acting through the [*Oregon Business*  
11 *Development Commission*] **Oregon Commerce and Trade Commission**, may  
12 determine that real and personal property constituting a project shall receive  
13 the tax exemption provided in ORS 307.123 if:

14 “(a) The project is an eligible project;

15 “(b) The project directly benefits a traded sector industry, as defined in  
16 ORS 285B.280; and

17 “(c) The total cost of the project equals or exceeds:

18 “(A) \$150 million; or

19 “(B) \$40 million, if the project is located in a rural area.

20 “(2) The minimum total costs required under subsection (1)(c) of this  
21 section shall be adjusted each year for the property tax year beginning on  
22 July 1 by multiplying \$150 million and \$40 million, respectively, by the ratio  
23 of the increase, if any, in the monthly averaged Consumer Price Index for  
24 All Urban Consumers, West Region, for the 12 consecutive months ending  
25 December 31 of the prior calendar year over the monthly averaged index for  
26 the 12 consecutive months ending December 31, 2023. The amount of any in-  
27 crease determined under this subsection shall be rounded to the nearest  
28 multiple of \$100,000.

29 “(3) In addition to and not in lieu of the determination described in sub-  
30 section (1) of this section, the State of Oregon, acting through the [*Oregon*

1 *Business Development Commission*] **Oregon Commerce and Trade Com-**  
2 **mission**, shall determine that real and personal property constituting a  
3 project shall receive the tax exemption provided in ORS 307.123 if:

4 “(a) The requirements of subsection (1) of this section are met; and

5 “(b) The project is to be constructed or installed in a strategic investment  
6 zone established under ORS 285C.623.

7 “(4) Notwithstanding subsection (1) or (3) of this section, property may  
8 not qualify for the tax exemption under ORS 307.123 if the property:

9 “(a) Was previously owned or leased by the business firm benefiting from  
10 the tax exemption;

11 “(b) Was previously exempt under ORS 307.123 for any period of time; or

12 “(c) If located in a strategic investment zone, is not newly constructed  
13 or newly installed property.

14 “(5) The State of Oregon, acting through the State Treasurer, may au-  
15 thorize and issue revenue bonds for an eligible project that qualifies for ex-  
16 emption under ORS 307.123 if the project also is eligible for funding through  
17 the issuance of revenue bonds under ORS 285B.320 to 285B.371.

18 “(6) A business firm that will be benefited by an eligible project shall:

19 “(a) Enter into a first-source hiring agreement with a publicly funded job  
20 training provider that will remain in effect until the end of the tax ex-  
21 emption period; and

22 “(b) Hold a job fair after placing a timely announcement of the job fair  
23 through WorkSource Oregon.

24 “(7) If an eligible project is leased or subleased to any person, the lessee  
25 shall be required to pay property taxes levied upon or with respect to the  
26 leased premises only in accordance with ORS 307.123.

27 “(8) For purposes of determining the assessment and taxation of the eli-  
28 gible project in ORS 307.123 and the calculation of the community services  
29 fee in ORS 285C.609 (4)(b), the [*Oregon Business Development Commission*]  
30 **Oregon Commerce and Trade Commission**, when it determines that the

1 project is an eligible project, shall:

2 “(a) Describe the real and personal property to be included in the eligible  
3 project;

4 “(b) Establish the maximum value of the property subject to exemption;  
5 or

6 “(c) Employ a comparable method to define the eligible project.

7 “(9) Property of an eligible project that is currently exempt under ORS  
8 307.123 may remain exempt for any remaining period of exemption allowed  
9 under ORS 307.123 upon the property being acquired by a business firm that  
10 is different from the business firm that initially benefited from the ex-  
11 emption, if the acquiring firm satisfies all applicable requirements under  
12 ORS 285C.600 to 285C.635 and assumes the obligations, conditions, require-  
13 ments and other terms of the agreement described in ORS 285C.609 (4).

14 **“SECTION 281.** ORS 285C.609 is amended to read:

15 “285C.609. (1) A determination under ORS 285C.606 (1) by the [*Oregon*  
16 *Business Development Commission*] **Oregon Commerce and Trade Com-**  
17 **mission** that a project shall be exempt from property taxation under ORS  
18 307.123 must be requested by official action of the governing body of the  
19 county taken at a regular or duly called special meeting thereof by the af-  
20 firmative vote of a majority of its members.

21 “(2) The governing body of any Oregon county shall forward appropriate  
22 prospective eligible projects to the [*Oregon Business Development*  
23 *Department*] **Oregon Department of Commerce and Trade** for processing.

24 “(3) For purposes of this section, for projects located on a federally re-  
25 cognized Oregon Indian reservation, the governing body of a county shall be  
26 considered to be the governing body of the federally recognized Oregon In-  
27 dian tribe.

28 “(4) The county may not make the request under subsection (1) of this  
29 section unless, after a public hearing:

30 “(a) The county and, if the proposed eligible project will be located within



1 the boundaries of a city or port, the city or port have entered into an  
2 agreement with the business firm, as described in this subsection. The  
3 [*Oregon Business Development Department*] **Oregon Department of Com-**  
4 **merce and Trade** shall make available, in a timely manner, training mate-  
5 rials related to negotiation techniques in such circumstances to the county,  
6 city or port, as applicable.

7 “(b) The agreement provides for the payment of a fee by the business firm,  
8 as follows:

9 “(A) The fee shall be for community services support that relates to the  
10 direct impact of the eligible project on public services.

11 “(B) The fee shall be in an amount equal to 25 percent of the property  
12 taxes that would, but for the exemption, be due on the exempt property in  
13 each assessment year, but not exceeding \$3 million in any year.

14 “(C) The fee shall be paid annually during the tax exemption period, as  
15 of a date set forth in the agreement.

16 “(c) The agreement provides for the refunding or crediting of overpay-  
17 ments, for interest on late payments or underpayments and for the manner  
18 in which the appeal of the assessed value of the property included in the  
19 project will affect the fee.

20 “(5) The maximum fee amount allowed under subsection (4)(b) of this  
21 section shall be adjusted each year for the property tax year beginning on  
22 July 1 by multiplying \$3 million by the ratio of the increase, if any, in the  
23 monthly averaged Consumer Price Index for All Urban Consumers, West  
24 Region, for the 12 consecutive months ending December 31 of the prior cal-  
25 endar year over the monthly averaged index for the 12 consecutive months  
26 ending December 31, 2023. The amount of any increase determined under this  
27 subsection shall be rounded to the nearest multiple of \$1,000.

28 “(6) The agreement described in subsection (4) of this section may provide  
29 for any other requirements related to the project.

30 “(7)(a) The fee collected under subsection (4)(b) of this section shall be

1 distributed by the county based on an agreement. The agreement is effective  
2 only if the following public bodies have entered into the agreement:

3 “(A) The county and the city or port, if any, in which the eligible project  
4 is located;

5 “(B) All special districts in the code area in which the eligible project is  
6 located that provide services related to public safety, fire prevention and  
7 response, ambulance or other emergency medical response or emergency  
8 communications; and

9 “(C) Local taxing districts listed in ORS 198.010 or 198.180, other than  
10 ports, that constitute at least 75 percent of the property tax authority of all  
11 local taxing districts listed in ORS 198.010 or 198.180, other than ports, in  
12 the code area in which the eligible project is located.

13 “(b) If an effective agreement is not entered into under paragraph (a) of  
14 this subsection within three months after the date of the determination by  
15 the commission under ORS 285C.606 (1), the commission shall, by official  
16 action, establish a formula for distributing the fee collected under subsection  
17 (4)(b) of this section.

18 “**SECTION 282.** ORS 285C.612 is amended to read:

19 “285C.612. (1) The [*Oregon Business Development Commission*] **Oregon**  
20 **Commerce and Trade Commission** shall collect the fees set forth in sub-  
21 section (2) of this section from an applicant that seeks to have the real and  
22 personal property constituting the eligible project declared eligible for the  
23 tax exemption provided in ORS 307.123. The fee may be collected even though  
24 the project has not been determined to be eligible for the tax exemption.

25 “(2) The fees described in subsection (1) of this section are as follows:

26 “(a) \$10,000, or \$5,000 if the project is located in a rural area, upon ap-  
27 plication to the commission; and

28 “(b) \$50,000, or \$10,000 if the project is located in a rural area, when the  
29 eligible project is determined by the commission to be eligible for the tax  
30 exemption provided in ORS 307.123. The commission shall pay 50 percent of

1 this fee to the Department of Revenue for the purpose of administration of  
2 ORS 307.123.

3 “(3) The fees collected under subsection (2) of this section shall be de-  
4 posited in the Oregon Business, Innovation and Trade Fund created under  
5 ORS 285A.227.

6 **“SECTION 283.** ORS 285C.615 is amended to read:

7 “285C.615. (1) On or before April 1 following each tax year that property  
8 is exempt under ORS 307.123, the business firm that owns or leases the ex-  
9 empt property shall submit a report to the [*Oregon Business Development*  
10 *Department*] **Oregon Department of Commerce and Trade**, in addition to  
11 any other reporting or filing requirement.

12 “(2) The report shall be in a form prescribed by the [*Oregon Business*  
13 *Development Department*] **Oregon Department of Commerce and Trade**  
14 and shall include:

15 “(a) The assessed value and location of taxable and exempt property con-  
16 stituting the eligible project and the corresponding payment and savings of  
17 property taxes for the tax year, as ascertained from the county assessor;

18 “(b) The amount and disposition of fees and other amounts paid by the  
19 business firm pursuant to the agreement with the county under ORS 285C.609  
20 in the immediately preceding calendar year;

21 “(c) The average number of persons hired or employed by the business  
22 firm in association with the eligible project, determined by dividing the total  
23 number of hours for which such hired or employed persons were paid during  
24 the immediate prior calendar year by 2,080;

25 “(d) The annual amount of taxable income and total compensation paid  
26 to employees as described in paragraph (c) of this subsection;

27 “(e) Numbers and amounts as described in paragraphs (c) and (d) of this  
28 subsection for retained jobs and newly created jobs for the eligible project;  
29 and

30 “(f) Any other information required by the department.

1 “(3)(a) If a business firm fails to provide a report required under this  
2 section or to verify information as requested by the [*Oregon Business De-*  
3 *velopment Department*] **Oregon Department of Commerce and Trade**, the  
4 [*Oregon Business Development Commission*] **Oregon Commerce and Trade**  
5 **Commission**, upon recommendation by the department, may suspend the  
6 determination of the commission that the project receive the tax exemption  
7 provided for in ORS 307.123.

8 “(b) If the commission suspends the determination of eligibility under this  
9 subsection, the exemption is revoked as provided in ORS 307.123 (7), until the  
10 department receives the report.

11 “(c) Upon receipt of a report required under this section or the informa-  
12 tion requested by the department, the department shall notify the commission  
13 and the commission shall rescind the suspension under this subsection.

14 “(4) Information collected under this section may be used by the [*Oregon*  
15 *Business Development Department*] **Oregon Department of Commerce and**  
16 **Trade** to make aggregate figures and analyses of activity under the strategic  
17 investment program publicly available.

18 “(5) Specific data concerning the financial performance of individual firms  
19 collected under this section is exempt from public disclosure under ORS  
20 chapter 192.

21 “(6) After receiving the reports required under this section, the [*Oregon*  
22 *Business Development Department*] **Oregon Department of Commerce and**  
23 **Trade** shall compile and organize the reported information for purposes of  
24 ORS 285C.635 and transmit it to the Oregon Department of Administrative  
25 Services. The [*Oregon Business Development Department*] **Oregon Depart-**  
26 **ment of Commerce and Trade** shall transmit the information not later  
27 than April 15.

28 “(7) The [*Oregon Business Development Department*] **Oregon Department**  
29 **of Commerce and Trade** shall adopt rules the department considers neces-  
30 sary to administer ORS 285C.600 to 285C.635.

1       **“SECTION 284.** ORS 285C.620 is amended to read:

2       “285C.620. Notwithstanding ORS 192.311 to 192.478, the identity of an ap-  
3 plicant for an eligible project determination under ORS 285C.606, the appli-  
4 cation form submitted to the county governing body and the [*Oregon*  
5 *Business Development Commission*] **Oregon Commerce and Trade Com-**  
6 **mission** and the negotiations conducted between the applicant and the  
7 county shall be confidential, until the county governing body gives notice  
8 of its intent to take official action on the application.

9       **“SECTION 285.** ORS 285C.623 is amended to read:

10       “285C.623. (1) A county seeking to ensure that all eligible projects con-  
11 structed or installed within a particular geographic area within the county  
12 receive the tax exemption under ORS 307.123 may request designation of the  
13 geographic area as a strategic investment zone. The request must be made  
14 by official action of the governing body of the county taken at a regular or  
15 duly called special meeting of the governing body by the affirmative vote of  
16 a majority of members of the governing body. The request must set forth the  
17 proposed boundaries of the zone.

18       “(2) The governing body of the county shall forward appropriate actions  
19 requesting zone establishment to the [*Oregon Business Development Depart-*  
20 *ment*] **Oregon Department of Commerce and Trade** for consideration by  
21 the [*Oregon Business Development Commission*] **Oregon Commerce and**  
22 **Trade Commission**. If the commission determines that the proposed zone is  
23 likely to achieve the purpose set forth in ORS 285C.603 and other objectives  
24 established for the zone by the requesting county, the department or the  
25 commission, the commission shall designate the geographic area a strategic  
26 investment zone.

27       “(3) Any eligible project described in ORS 285C.606 (3) and newly con-  
28 structed or installed after the date of zone designation under this section  
29 shall qualify for exemption under ORS 307.123 if the business firm benefited  
30 by the eligible project complies with the fee agreement described in sub-

1 section (4) of this section.

2 “(4) The county may not make the request under subsection (1) of this  
3 section unless, after a public hearing:

4 “(a) The county and, if the proposed zone will be located within a city  
5 or port, the city or port have entered into an agreement described in this  
6 subsection.

7 “(b) The agreement provides for the payment of a fee by each business  
8 firm that is to own or operate an eligible project within the proposed zone,  
9 as a condition for the exemption under ORS 307.123. The agreement shall  
10 provide for the payment of the fee, as follows:

11 “(A) The fee shall be for community services support that relates to the  
12 direct impact of the eligible project on public services.

13 “(B) The fee shall be in an amount equal to 25 percent of the property  
14 taxes that would, but for the exemption, be due on the exempt property in  
15 each assessment year, but not exceeding \$2 million per eligible project in any  
16 year or, if the eligible project is located in a rural area, \$500,000 per eligible  
17 project in any year.

18 “(C) The fee shall be paid annually during the tax exemption period by  
19 each business firm having an eligible project within the zone, as of a date  
20 set forth in the agreement.

21 “(c) The agreement provides for the refunding or crediting of overpay-  
22 ments, for interest on late payments or underpayments and for the manner  
23 in which the appeal of the assessed value of the property included in the  
24 project will affect the fee.

25 “(5) The agreement described in subsection (4) of this section may provide  
26 for any other requirements that each business firm must comply with in or-  
27 der for the eligible project of the firm to qualify for exemption under ORS  
28 307.123.

29 “(6)(a) The fee collected under subsection (4)(b) of this section shall be  
30 distributed by the county based on an additional agreement described in this

1 subsection. An agreement described in this subsection is effective only if:

2 “(A) The county and the city or port, if any, in which the eligible project  
3 is located have entered into the agreement; and

4 “(B) Local taxing districts listed in ORS 198.010 or 198.180, other than  
5 ports, that constitute at least 75 percent of the property tax authority of all  
6 local taxing districts listed in ORS 198.010 or 198.180, other than ports, that  
7 are in the code area in which the eligible project is located have entered into  
8 the agreement.

9 “(b) If an additional agreement is not entered into under paragraph (a)  
10 of this subsection within three months after the date of the determination  
11 by the commission under ORS 285C.606 (1), the commission shall, by official  
12 action, establish a formula for distributing the fee collected under subsection  
13 (4)(b) of this section.

14 “(7)(a) A county may not enter into an agreement under subsection (4)  
15 of this section for designation of a strategic investment zone on or after  
16 September 24, 2023.

17 “(b) A strategic investment zone designated on the basis of an agreement  
18 entered into under subsection (4) of this section before September 24, 2023,  
19 may continue to operate in accordance with the terms of this section in ef-  
20 fect on the date on which the agreement was entered into.

21 **“SECTION 286.** ORS 285C.626 is amended to read:

22 “285C.626. (1) A business firm seeking the exemption under ORS 307.123  
23 for a project the firm intends to install or construct within a strategic in-  
24 vestment zone shall apply to the [*Oregon Business Development Department*]  
25 **Oregon Department of Commerce and Trade**. The application shall be in  
26 the form and shall contain the information required by the department.

27 “(2) A completed application containing all of the required information  
28 shall be considered by the [*Oregon Business Development Commission*]  
29 **Oregon Commerce and Trade Commission** for the purposes of determin-  
30 ing whether the project constitutes an eligible project under ORS 285C.606.

1       **“SECTION 287.** ORS 285C.650 is amended to read:

2       “285C.650. (1) A qualified community development entity that seeks to  
3 have an equity investment or long-term debt security certified as a qualified  
4 equity investment and eligible for a tax credit under ORS 315.533 shall apply  
5 to the [*Oregon Business Development Department*] **Oregon Department of**  
6 **Commerce and Trade.** The department shall establish by rule application  
7 procedures for applications for certification. The entity must submit an ap-  
8 plication on a form that the department provides that includes:

9       “(a) The entity’s name, address, tax identification number and evidence  
10 of the entity’s certification as a qualified community development entity.

11       “(b) A copy of an allocation agreement executed by the entity, or its  
12 controlling entity, and the Community Development Financial Institutions  
13 Fund that includes the State of Oregon in its service area.

14       “(c) A certificate executed by an executive officer of the entity attesting  
15 that the allocation agreement remains in effect and has not been revoked or  
16 canceled by the Community Development Financial Institutions Fund.

17       “(d) A description of the proposed purchase price, structure and purchaser  
18 of the equity investment or long-term debt security.

19       “(e) The name and tax identification number of any person eligible to  
20 claim a tax credit, under ORS 315.533, allowed as a result of the certification  
21 of the qualified equity investment.

22       “(f) Information regarding the proposed use of proceeds from the issuance  
23 of the qualified equity investment.

24       “(g) A nonrefundable application fee of \$20,000. This fee shall be paid to  
25 the department and shall be required for each application submitted.

26       “(2) Within 15 days after receipt of a completed application containing the  
27 information necessary for the department to certify a proposed equity in-  
28 vestment, including the payment of the application fee, the department shall  
29 grant or deny the application in full or in part. If the department denies any  
30 part of the application, the department shall inform the qualified community



1 development entity of the grounds for the denial. If the qualified community  
2 development entity provides any additional information required by the de-  
3 partment or otherwise completes its application within 15 days after the no-  
4 tice of denial, the application shall be considered completed as of the  
5 original date of submission. If the qualified community development entity  
6 fails to provide the information or complete its application within the 15-day  
7 period, the application remains denied and must be resubmitted in full with  
8 a new submission date.

9 “(3) If the application is deemed complete, the department shall certify the  
10 proposed equity investment or long-term debt security as a qualified equity  
11 investment and eligible for a tax credit under ORS 315.533, subject to the  
12 limitations in ORS 315.536. The department shall provide written notice of  
13 the certification to the qualified community development entity. The notice  
14 shall include the names of those taxpayers who are eligible to utilize the  
15 credits and their respective credit amounts. If the names of the persons or  
16 entities that are eligible to utilize the credits change due to a transfer of a  
17 qualified equity investment or a change in an allocation pursuant to ORS  
18 315.536, the qualified community development entity shall notify the depart-  
19 ment of the transfer or the change as provided in ORS 315.056 (2) and (3).

20 “(4)(a) Except as provided in paragraph (b) of this subsection, within 60  
21 days after receiving notice of certification, a qualified community develop-  
22 ment entity shall issue the qualified equity investment and receive cash in  
23 the amount of the certified purchase price. The qualified community devel-  
24 opment entity must provide the department with evidence of the receipt of  
25 the cash investment within 10 business days after receipt.

26 “(b) For a qualified equity investment described in ORS 285C.653 (2), a  
27 qualified community development entity shall issue the qualified equity in-  
28 vestment during the period beginning July 1, 2012, and ending 60 days after  
29 receiving notice of certification. If the qualified equity investment is issued  
30 prior to the submission of an application for certification under this section,

1 the qualified community development entity must provide the department  
2 with evidence of the qualified equity investment and of receipt of the cash  
3 investment at the time of application for certification.

4 “(c) If a qualified community development entity does not receive the cash  
5 investment and issue the qualified equity investment on or before the 60th  
6 day following receipt of the certification notice, the certification shall lapse  
7 and the entity may not issue the qualified equity investment without reap-  
8 plying to the department for certification. A certification that lapses reverts  
9 to the department and may be reissued only in accordance with the applica-  
10 tion process outlined in this section.

11 “(5) The department shall certify qualified equity investments in the order  
12 applications are received by the department. Applications received on the  
13 same day shall be deemed to have been received simultaneously. For appli-  
14 cations received on the same day and deemed complete, the department shall  
15 certify, consistent with remaining tax credit capacity, qualified equity in-  
16 vestments in proportionate percentages based upon the ratio of the amount  
17 of qualified equity investment requested in an application to the total  
18 amount of qualified equity investments requested in all applications received  
19 on the same day. If a pending request cannot be fully certified because of the  
20 limitation in ORS 285C.653, the department shall certify the portion that may  
21 be certified unless the qualified community development entity elects to  
22 withdraw its request rather than receive partial credit.

23 “(6) A qualified community development entity that is certified under this  
24 section shall pay an annual evaluation fee of \$1,000 to the department.

25 “(7) The department shall establish by rule procedures to administer the  
26 provisions of this section, including the allocation of tax credits issued for  
27 qualified equity investments.

28 “(8) The [*Oregon Business Development Department*] **Oregon Department**  
29 **of Commerce and Trade** shall provide information to the Department of  
30 Revenue about all certifications issued under this section, if required by ORS

1 315.058.

2 **“SECTION 288.** ORS 285C.653 is amended to read:

3 “285C.653. (1) Once the [*Oregon Business Development Department*]  
4 **Oregon Department of Commerce and Trade** has certified a cumulative  
5 amount of qualified equity investments that can result in the utilization of  
6 \$16 million of tax credits in any tax year, the department may not certify  
7 any more qualified equity investments under ORS 285C.650. This limitation  
8 shall be based on the scheduled utilization of tax credits without regard to  
9 the potential for taxpayers to carry forward tax credits to later tax years.

10 “(2) The department shall reserve 15 percent of the total amount of qual-  
11 ified equity investments that receive certification under ORS 285C.650 for  
12 investments in qualified active low-income community businesses that:

13 “(a) Have a primary purpose of improving the environment or reducing  
14 emissions of greenhouse gases; or

15 “(b) Produce goods that directly reduce emissions of greenhouse gases or  
16 are designed as environmentally sensitive replacements for products in cur-  
17 rent use.

18 “(3) The department shall establish by rule procedures and criteria for  
19 implementing the provisions of this section.

20 **“SECTION 289.** ORS 285C.656 is amended to read:

21 “285C.656. (1) The Director of the [*Oregon Business Development Depart-*  
22 *ment*] **Oregon Department of Commerce and Trade** may order the sus-  
23 pension or revocation of a certificate or a portion of a certificate issued  
24 under ORS 315.533, as provided in ORS 315.061.

25 “(2) The Department of Revenue may recapture any portion of a tax credit  
26 allowed under ORS 315.533 if:

27 “(a) Any amount of federal tax credit that might be available with respect  
28 to the qualified equity investment that generated the tax credit under ORS  
29 315.533 is recaptured under section 45D of the Internal Revenue Code. The  
30 department’s recapture shall be proportionate to the federal recapture with

1 respect to the qualified equity investment.

2 “(b) The qualified community development entity redeems or makes a  
3 principal repayment with respect to the qualified equity investment that  
4 generated the tax credit prior to the final credit allowance date of the  
5 qualified equity investment. The department’s recapture shall be propor-  
6 tionate to the amount of the redemption or repayment with respect to the  
7 qualified equity investment.

8 “(c) The qualified community development entity fails to invest at least  
9 85 percent of the purchase price of the qualified equity investment in quali-  
10 fied low-income community investments within 12 months of the issuance of  
11 the qualified equity investment and maintain the same level of investment  
12 in qualified low-income community investments until the last credit allow-  
13 ance date for the qualified equity investment. For purposes of calculating the  
14 amount of qualified low-income community investments held by a qualified  
15 community development entity, an investment shall be considered held by the  
16 entity even if the investment has been sold or repaid provided that the entity  
17 reinvests an amount equal to the capital returned to or recovered from the  
18 original investment, exclusive of any profits realized, in another qualified  
19 active low-income community business in this state within 12 months of the  
20 receipt of the capital. A qualified community development entity may not be  
21 required to reinvest capital returned from qualified low-income community  
22 investments after the sixth anniversary of the issuance of the qualified eq-  
23 uity investment, the proceeds of which were used to make the qualified  
24 low-income community investment, and the qualified low-income community  
25 investment shall be considered held by the issuer through the qualified eq-  
26 uity investment’s final credit allowance date.

27 “(3) The department shall provide notice to the qualified community de-  
28 velopment entity of any proposed recapture of tax credits pursuant to sub-  
29 section (2) of this section. The entity shall have 90 days to cure any  
30 deficiency indicated in the department’s original recapture notice and avoid

1 the recapture. If the entity fails or is unable to cure the deficiency within  
2 the 90-day period, the department shall provide the entity and the taxpayer  
3 from whom the credit is to be collected with a final order of recapture. Any  
4 tax credit for which a final recapture order has been issued shall be recap-  
5 tured by the department from the taxpayer who claimed the tax credit on a  
6 tax return.

7 **“SECTION 290.** ORS 285C.659 is amended to read:

8 “285C.659. (1) The [*Oregon Business Development Department*] **Oregon**  
9 **Department of Commerce and Trade** shall annually prepare a report that  
10 discloses all costs and fees incurred by the department, or by any other state  
11 agency, in administering, during the agency fiscal year ending during the  
12 current calendar year, the tax credit allowed under ORS 315.533.

13 “(2) The report required under this section shall also provide information  
14 about qualified equity investments issued on or after July 1, 2013, including,  
15 for the previous calendar year and for tax years ending during the previous  
16 calendar year:

17 “(a) The amount of tax credit allowed for the qualified equity investments  
18 under ORS 315.533;

19 “(b) The amount of tax credit claimed for the qualified equity investments  
20 under ORS 315.533;

21 “(c) The costs and expenses of forming the qualified community develop-  
22 ment entities that issued the qualified equity investments, including but not  
23 limited to fees paid for professional services, including legal and accounting  
24 services, related to the formation and operation of the entities; and

25 “(d) Information with respect to qualified equity investments and quali-  
26 fied low-income community investments that would be reported as part of the  
27 institution level report and transaction level reports submitted by qualified  
28 community development entities pursuant to section 45D of the Internal  
29 Revenue Code.

30 “(3) The [*Oregon Business Development Department*] **Oregon Department**

1 **of Commerce and Trade** shall submit the report required under this section  
2 to the Oregon Department of Administrative Services no later than Septem-  
3 ber 30 of each year. The information shall then be posted on the Oregon  
4 transparency website required under ORS 276A.253 no later than December  
5 31 of the same year.

6 “(4) The information described in this section that is available on the  
7 Oregon transparency website must be accessible in the format and manner  
8 required by the Oregon Department of Administrative Services.

9 “(5) The [*Oregon Business Development Department*] **Oregon Department**  
10 **of Commerce and Trade** shall collect data sufficient for the purpose of  
11 preparing the report required under this section.

12 “(6) For purposes of this section, the [*Oregon Business Development De-*  
13 *partment*] **Oregon Department of Commerce and Trade** may not collect  
14 or report proprietary information related to a taxpayer, taxpayers holding  
15 qualified equity investments, qualified community development entities or  
16 qualified active low-income community businesses, or information about the  
17 specific terms of financial agreements pertaining to any project.

18 **“SECTION 291.** ORS 286A.585 is amended to read:

19 “286A.585. (1) Pursuant to ORS 286A.560 to 286A.585 and subject to future  
20 legislative approval, lottery bonds may be issued to make grants or loans to  
21 Oregon cities to fund projects for the reconstruction, renovation or develop-  
22 ment of community sports facilities in order to make the facilities suitable  
23 for use by a major league baseball team if a city is selected as an expansion  
24 site by major league baseball or if a major league baseball team agrees to  
25 relocate to a city.

26 “(2) The use of lottery bond proceeds is authorized based on the following  
27 findings:

28 “(a) The financial assistance to cities will assist in the construction, im-  
29 provement and expansion of infrastructure and community facilities that  
30 comprise the physical foundation for commercial activity and provide the

1 basic framework for continued and expanded economic opportunities and  
2 quality communities throughout Oregon.

3 “(b) Such financial assistance to cities will therefore promote economic  
4 development within this state, and thus the use of net proceeds derived from  
5 the operation of the Oregon State Lottery to pay debt service on lottery  
6 bonds issued under this section to provide such financial assistance to cities  
7 is an appropriate use of state lottery funds under section 4, Article XV of  
8 the Oregon Constitution, and ORS 461.510.

9 “(3) Lottery bonds issued pursuant to this section shall be issued only at  
10 the request of the Director of the [*Oregon Business Development*  
11 *Department*] **Oregon Department of Commerce and Trade**.

12 “(4) The net proceeds of lottery bonds issued pursuant to this section  
13 shall be deposited in the Economic Infrastructure Project Fund established  
14 by ORS 285B.551. The Director of the [*Oregon Business Development Depart-*  
15 *ment*] **Oregon Department of Commerce and Trade** shall allocate the  
16 moneys deposited in the Economic Infrastructure Project Fund for the pur-  
17 pose described in this section in accordance with the priorities developed by  
18 the [*Oregon Business Development Commission*] **Oregon Commerce and**  
19 **Trade Commission** in accordance with ORS 285A.020.

20 “(5) The proceeds of lottery bonds issued pursuant to this section shall  
21 be used only for the purposes set forth in this section and for bond-related  
22 costs.

23 **“SECTION 292.** ORS 286A.630 is amended to read:

24 “286A.630. (1) The Legislative Assembly finds that the American Recovery  
25 and Reinvestment Act of 2009 (P.L. 111-5) provides that the State of Oregon  
26 may receive, allocate and reallocate the authority to issue certain kinds of  
27 state and local government bonds that qualify for tax credits, federal subsi-  
28 dies or exclusion of bond interest from gross income under the United States  
29 Internal Revenue Code of 1986, as amended.

30 “(2) As described in subsections (3) to (6) of this section, state agencies

1 and the Private Activity Bond Committee may allocate and reallocate or  
2 take any additional actions that are desirable to maximize the benefits of  
3 bonding programs created or expanded by the American Recovery and Rein-  
4 vestment Act of 2009 (P.L. 111-5).

5 “(3) The Department of Education, with the approval of the Governor,  
6 may allocate, reallocate and otherwise manage this state’s qualified school  
7 construction bonding authority.

8 “(4) The [*Oregon Business Development Department*] **Oregon Department**  
9 **of Commerce and Trade** may allocate, reallocate and otherwise manage  
10 this state’s recovery zone economic development bonding authority and this  
11 state’s recovery zone facility bonding authority.

12 “(5) The State Department of Energy may allocate, reallocate and other-  
13 wise manage this state’s qualified energy conservation bonding authority.

14 “(6) The Private Activity Bond Committee may allocate, reallocate and  
15 otherwise manage any bonding authority that is created or expanded by the  
16 American Recovery and Reinvestment Act of 2009 (P.L. 111-5) if that re-  
17 sponsibility is not assigned to a state agency by this section, or if an agency  
18 that is assigned that responsibility requests the Private Activity Bond Com-  
19 mittee to allocate that authority on behalf of that agency.

20 “(7) The Department of Education, the [*Oregon Business Development*  
21 *Department*] **Oregon Department of Commerce and Trade**, the State De-  
22 partment of Energy and the Private Activity Bond Committee may adopt  
23 rules to implement the provisions of this section including, but not limited  
24 to, rules prescribing:

25 “(a) Application processes and requirements to receive a subsequent allo-  
26 cation or reallocation;

27 “(b) Standards upon which an allocation or reallocation may be based;  
28 and

29 “(c) Any conditions that must be met to receive an allocation or reallo-  
30 cation of the bonding authority or to receive the benefits of such bonding



1 authority.

2 **“SECTION 293.** ORS 286A.760 is amended to read:

3 “286A.760. As used in ORS 286A.760 to 286A.772, unless the context re-  
4 quires otherwise:

5 “(1) ‘Article XI-M bonds’ means general obligation bonds or other general  
6 obligation indebtedness issued or incurred under the authority of Article  
7 XI-M of the Oregon Constitution.

8 “(2) ‘Bond administration fund’ means the Article XI-M Bond Adminis-  
9 tration Fund established under ORS 286A.766.

10 “(3) ‘Bond fund’ means the Article XI-M Bond Fund established under  
11 ORS 286A.764.

12 “(4) ‘Bond-related costs’ means:

13 “(a) The costs of paying the principal of, the interest on and the premium,  
14 if any, on Article XI-M bonds;

15 “(b) The costs and expenses of issuing, administering and maintaining  
16 Article XI-M bonds including, but not limited to, redeeming Article XI-M  
17 bonds and paying amounts due in connection with bond insurance, other  
18 credit enhancements or the administrative costs and expenses of the State  
19 Treasurer and the Oregon Department of Administrative Services, including  
20 costs of consultants or advisers retained by the State Treasurer or the de-  
21 partment for the purpose of issuing, administering or maintaining Article  
22 XI-M bonds;

23 “(c) Capitalized interest on Article XI-M bonds;

24 “(d) Costs of funding reserves for Article XI-M bonds, including costs of  
25 surety bonds and similar instruments;

26 “(e) Rebates or penalties due the United States Government in connection  
27 with Article XI-M bonds; and

28 “(f) Other costs or expenses that the Director of the Oregon Department  
29 of Administrative Services determines are necessary or desirable in con-  
30 nection with issuing, administering or maintaining Article XI-M bonds.

1 “(5) ‘Plan and implement seismic rehabilitation’ includes:

2 “(a) Surveying and conducting engineering evaluations of the need for  
3 seismic rehabilitation; and

4 “(b) Paying costs of personnel, advisors, equipment, supplies and services  
5 that are reasonably necessary to develop and carry out the seismic rehabili-  
6 tation grant program described in ORS 401.910.

7 “(6) ‘Seismic fund’ means the Education Seismic Fund established under  
8 ORS 286A.768.

9 “(7) ‘State share of costs’ means total costs minus contributions from ap-  
10 plicants as required by the [*Oregon Business Development Department*]  
11 **Oregon Department of Commerce and Trade.**

12 **“SECTION 294.** ORS 286A.762 is amended to read:

13 “286A.762. (1) Article XI-M bonds are a general obligation of the State  
14 of Oregon and must contain a direct promise on behalf of the State of Oregon  
15 to pay the principal of, the interest on and the premium, if any, on the Ar-  
16 ticle XI-M bonds. The State of Oregon shall pledge its full faith and credit  
17 and taxing power to pay Article XI-M bonds, except that the ad valorem  
18 taxing power of the State of Oregon may not be pledged to pay Article XI-M  
19 bonds.

20 “(2) The State Treasurer, with the concurrence of the Director of the  
21 [*Oregon Business Development Department*] **Oregon Department of Com-**  
22 **merce and Trade**, may issue Article XI-M bonds as provided in this chapter,  
23 subject to the limit on bond issuance established for the particular biennium  
24 pursuant to ORS 286A.035 and at the request of the Director of the Oregon  
25 Department of Administrative Services, for the purpose of financing all or  
26 a portion of the state share of costs to plan and implement seismic rehabil-  
27 itation of public education buildings in the amount of the state share of  
28 costs, plus an amount determined by the State Treasurer to pay estimated  
29 bond-related costs.

30 “(3) The State Treasurer shall transfer the net proceeds of Article XI-M

1 bonds issued for the purpose described in subsection (2)(a) of this section to  
2 the [*Oregon Business Development Department*] **Oregon Department of**  
3 **Commerce and Trade** for deposit in the Education Seismic Fund estab-  
4 lished under ORS 286A.768.

5 **“SECTION 295.** ORS 286A.766 is amended to read:

6 “286A.766. (1) The Article XI-M Bond Administration Fund is established  
7 in the State Treasury, separate and distinct from the General Fund. Amounts  
8 in the bond administration fund may be invested as provided in ORS 293.701  
9 to 293.857, and interest earned on the bond administration fund must be  
10 credited to the bond administration fund. Amounts credited to the bond ad-  
11 ministration fund are continuously appropriated to the Oregon Department  
12 of Administrative Services for payment of bond-related costs. The department  
13 shall credit to the bond administration fund:

14 “(a) Proceeds of Article XI-M bonds that were issued to pay bond-related  
15 costs;

16 “(b) Amounts appropriated or otherwise provided by the Legislative As-  
17 sembly for deposit in the bond administration fund; and

18 “(c) Amounts transferred from the Education Seismic Fund by the [*Oregon*  
19 *Business Development Department*] **Oregon Department of Commerce and**  
20 **Trade** as provided in ORS 286A.768.

21 “(2) The Oregon Department of Administrative Services may create sepa-  
22 rate accounts in the bond administration fund.

23 **“SECTION 296.** ORS 286A.768 is amended to read:

24 “286A.768. (1) The Education Seismic Fund is established in the State  
25 Treasury, separate and distinct from the General Fund. Amounts in the  
26 seismic fund may be invested as provided in ORS 293.701 to 293.857, and in-  
27 terest earned on the seismic fund must be credited to the seismic fund.  
28 Amounts credited to the seismic fund are continuously appropriated to the  
29 [*Oregon Business Development Department*] **Oregon Department of Com-**  
30 **merce and Trade** for the purpose described in ORS 286A.762 (2) and for the

1 purpose of paying bond-related costs. The department shall deposit in the  
2 seismic fund:

3 “(a) The net proceeds of Article XI-M bonds transferred pursuant to ORS  
4 286A.762 (3);

5 “(b) Amounts appropriated or otherwise provided by the Legislative As-  
6 sembly for deposit in the seismic fund;

7 “(c) Gifts, grants or contributions received by the department for the  
8 purpose described in ORS 286A.762 (2); and

9 “(d) Moneys received as repayment of, as a return on or in exchange for  
10 the grant or loan of net proceeds of Article XI-M bonds.

11 “(2) The department may create separate accounts in the seismic fund as  
12 appropriate for the management of moneys in the seismic fund.

13 “(3) The department and any other state agency or other entity receiving  
14 or holding net proceeds of Article XI-M bonds shall, at the direction of the  
15 Oregon Department of Administrative Services, take action necessary to  
16 maintain the excludability of interest on Article XI-M bonds from gross in-  
17 come under the Internal Revenue Code.

18 “(4) The department shall transfer to the Article XI-M Bond Adminis-  
19 tration Fund the unexpended and uncommitted amounts remaining in the  
20 seismic fund if:

21 “(a) Unexpended funds that are not contractually committed to a partic-  
22 ular purpose remain in the seismic fund on the last day of the biennium; and

23 “(b) Article XI-M bonds will be outstanding in the next biennium.

24 “(5) The department may adopt rules to carry out this section including,  
25 but not limited to, establishing:

26 “(a) Required contributions from applicants;

27 “(b) Fees;

28 “(c) Standards, terms and conditions under which moneys in the seismic  
29 fund may be granted, loaned or otherwise made available; and

30 “(d) Procedures for distributing and monitoring the use of moneys from

1 the seismic fund.

2 **“SECTION 297.** ORS 286A.780 is amended to read:

3 “286A.780. As used in ORS 286A.780 to 286A.792, unless the context re-  
4 quires otherwise:

5 “(1) ‘Article XI-N bonds’ means general obligation bonds or other general  
6 obligation indebtedness issued or incurred under the authority of Article  
7 XI-N of the Oregon Constitution.

8 “(2) ‘Bond administration fund’ means the Article XI-N Bond Adminis-  
9 tration Fund established under ORS 286A.786.

10 “(3) ‘Bond fund’ means the Article XI-N Bond Fund established under ORS  
11 286A.784.

12 “(4) ‘Bond-related costs’ means:

13 “(a) The costs of paying the principal of, the interest on and the premium,  
14 if any, on Article XI-N bonds;

15 “(b) The costs and expenses of issuing, administering and maintaining  
16 Article XI-N bonds including, but not limited to, redeeming Article XI-N  
17 bonds and paying amounts due in connection with bond insurance, other  
18 credit enhancements or the administrative costs and expenses of the State  
19 Treasurer and the Oregon Department of Administrative Services, including  
20 costs of consultants or advisers retained by the State Treasurer or the de-  
21 partment for the purpose of issuing, administering or maintaining Article  
22 XI-N bonds;

23 “(c) Capitalized interest on Article XI-N bonds;

24 “(d) Costs of funding reserves for Article XI-N bonds, including costs of  
25 surety bonds and similar instruments;

26 “(e) Rebates or penalties due the United States Government in connection  
27 with Article XI-N bonds; and

28 “(f) Other costs or expenses that the Director of the Oregon Department  
29 of Administrative Services determines are necessary or desirable in con-  
30 nection with issuing, administering or maintaining Article XI-N bonds.

1 “(5) ‘Plan and implement seismic rehabilitation’ includes:

2 “(a) Surveying and conducting engineering evaluations of the need for  
3 seismic rehabilitation; and

4 “(b) Paying costs of personnel, advisors, equipment, supplies and services  
5 that are reasonably necessary to develop and carry out the seismic rehabili-  
6 tation grant program described in ORS 401.910.

7 “(6) ‘Seismic fund’ means the Emergency Services Seismic Fund estab-  
8 lished under ORS 286A.788.

9 “(7) ‘State share of costs’ means total costs minus contributions from ap-  
10 plicants as required by the [*Oregon Business Development Department*]  
11 **Oregon Department of Commerce and Trade.**

12 **“SECTION 298.** ORS 286A.782 is amended to read:

13 “286A.782. (1) Article XI-N bonds are a general obligation of the State of  
14 Oregon and must contain a direct promise on behalf of the State of Oregon  
15 to pay the principal of, the interest on and the premium, if any, on the Ar-  
16 ticle XI-N bonds. The State of Oregon shall pledge its full faith and credit  
17 and taxing power to pay Article XI-N bonds, except that the ad valorem  
18 taxing power of the State of Oregon may not be pledged to pay Article XI-N  
19 bonds.

20 “(2) The State Treasurer, with the concurrence of the Director of the  
21 [*Oregon Business Development Department*] **Oregon Department of Com-  
22 merce and Trade**, may issue Article XI-N bonds as provided in this chapter,  
23 subject to the limit on bond issuance established for the particular biennium  
24 pursuant to ORS 286A.035 and at the request of the Director of the Oregon  
25 Department of Administrative Services, for the purpose of financing all or  
26 a portion of the state share of costs to plan and implement seismic rehabil-  
27 itation of emergency services buildings in the amount of the state share of  
28 costs, plus an amount determined by the State Treasurer to pay estimated  
29 bond-related costs.

30 “(3) The State Treasurer shall transfer the net proceeds of Article XI-N

1 bonds issued for the purpose described in subsection (2) of this section to the  
2 [*Oregon Business Development Department*] **Oregon Department of Com-**  
3 **merce and Trade** for deposit in the Emergency Services Seismic Fund es-  
4 tablished under ORS 286A.788.

5 **“SECTION 299.** ORS 286A.786 is amended to read:

6 “286A.786. (1) The Article XI-N Bond Administration Fund is established  
7 in the State Treasury, separate and distinct from the General Fund. Amounts  
8 in the bond administration fund may be invested as provided in ORS 293.701  
9 to 293.857, and interest earned on the bond administration fund must be  
10 credited to the bond administration fund. Amounts credited to the bond ad-  
11 ministration fund are continuously appropriated to the Oregon Department  
12 of Administrative Services for payment of bond-related costs. The department  
13 shall credit to the bond administration fund:

14 “(a) Proceeds of Article XI-N bonds that were issued to pay bond-related  
15 costs;

16 “(b) Amounts appropriated or otherwise provided by the Legislative As-  
17 sembly for deposit in the bond administration fund; and

18 “(c) Amounts transferred from the Emergency Services Seismic Fund by  
19 the [*Oregon Business Development Department*] **Oregon Department of**  
20 **Commerce and Trade** as provided in ORS 286A.788.

21 “(2) The Oregon Department of Administrative Services may create sepa-  
22 rate accounts in the bond administration fund.

23 **“SECTION 300.** ORS 286A.788 is amended to read:

24 “286A.788. (1) The Emergency Services Seismic Fund is established in the  
25 State Treasury, separate and distinct from the General Fund. Amounts in the  
26 seismic fund may be invested as provided in ORS 293.701 to 293.857, and in-  
27 terest earned on the seismic fund must be credited to the seismic fund.  
28 Amounts credited to the seismic fund are continuously appropriated to the  
29 [*Oregon Business Development Department*] **Oregon Department of Com-**  
30 **merce and Trade** for the purpose described in ORS 286A.782 (2) and for the

1 purpose of paying bond-related costs. The department shall deposit in the  
2 seismic fund:

3 “(a) The net proceeds of Article XI-N bonds transferred pursuant to ORS  
4 286A.782 (3);

5 “(b) Amounts appropriated or otherwise provided by the Legislative As-  
6 sembly for deposit in the seismic fund;

7 “(c) Gifts, grants or contributions received by the department for the  
8 purpose described in ORS 286A.782 (2); and

9 “(d) Moneys received as repayment of, as a return on or in exchange for  
10 the grant or loan of net proceeds of Article XI-N bonds.

11 “(2) The [*Oregon Business Development Department*] **Oregon Department**  
12 **of Commerce and Trade** may create separate accounts in the seismic fund  
13 as appropriate for the management of moneys in the seismic fund.

14 “(3) The [*Oregon Business Development Department*] **Oregon Department**  
15 **of Commerce and Trade** and any other state agency or other entity re-  
16 ceiving or holding net proceeds of Article XI-N bonds shall, at the direction  
17 of the Oregon Department of Administrative Services, take action necessary  
18 to maintain the excludability of interest on Article XI-N bonds from gross  
19 income under the Internal Revenue Code.

20 “(4) The [*Oregon Business Development Department*] **Oregon Department**  
21 **of Commerce and Trade** shall transfer to the Article XI-N Bond Adminis-  
22 tration Fund the unexpended and uncommitted amounts remaining in the  
23 seismic fund if:

24 “(a) Unexpended funds that are not contractually committed to a partic-  
25 ular purpose remain in the seismic fund on the last day of the biennium; and

26 “(b) Article XI-N bonds will be outstanding in the next biennium.

27 “(5) The [*Oregon Business Development Department*] **Oregon Department**  
28 **of Commerce and Trade** may adopt rules to carry out this section includ-  
29 ing, but not limited to, establishing:

30 “(a) Required contributions from applicants;



1 “(b) Fees;

2 “(c) Standards, terms and conditions under which moneys in the seismic  
3 fund may be granted, loaned or otherwise made available; and

4 “(d) Procedures for distributing and monitoring the use of moneys from  
5 the seismic fund.

6 **“SECTION 301.** ORS 307.123 is amended to read:

7 “307.123. (1) Except as provided in subsection (4) of this section, real or  
8 personal property that the [*Oregon Business Development Commission*]  
9 **Oregon Commerce and Trade Commission**, acting pursuant to ORS  
10 285C.606, has determined is an eligible project under ORS 285C.600 to  
11 285C.635 shall be subject to assessment and taxation as provided in this  
12 section.

13 “(2)(a) The following portions of the real market value of the eligible  
14 project, increased annually for growth at the rate of three percent, shall be  
15 taxable at the taxable portion’s assessed value under ORS 308.146:

16 “(A) \$100 million, adjusted annually for inflation since 2024 based on the  
17 Consumer Price Index for All Urban Consumers, West Region (All Items),  
18 as published by the Bureau of Labor Statistics of the United States Depart-  
19 ment of Labor, and rounded to the nearest multiple of \$100,000; or

20 “(B) If the project is located in a rural area as defined in ORS 285C.600:

21 “(i) \$40 million for a project with a total cost of not more than \$500  
22 million.

23 “(ii) \$75 million for a project with a total cost of more than \$500 million  
24 and not more than \$1 billion.

25 “(iii) \$150 million for a project with a total cost of more than \$1 billion.

26 “(b) The taxable portion of real market value, as adjusted, shall be allo-  
27 cated as follows until the entire amount is assigned: first to land, second  
28 to buildings, third to real property machinery and equipment and last to  
29 personal property.

30 “(c) The remainder of the real market value shall be exempt from taxation

1 for a period of 15 years from the beginning of the tax year after the earliest  
2 of the following dates:

3 “(A) The date the property is certified for occupancy or, if no certificate  
4 of occupancy is issued, the date the property is used to produce a product  
5 for sale; or

6 “(B) The expiration of the exemption for commercial facilities under  
7 construction under ORS 307.330.

8 “(3) If the real market value of the property falls below the value deter-  
9 mined under subsection (2)(a) of this section, the owner or lessee shall pay  
10 taxes only on the assessed value of the property.

11 “(4) Notwithstanding subsection (1) of this section, real or personal  
12 property that has received an exemption under ORS 285C.175 may not be  
13 assessed under this section.

14 “(5) The Department of Revenue may adopt rules and prescribe forms that  
15 the department determines are necessary for administration of this section.

16 “(6) The determination by the [*Oregon Business Development*  
17 *Commission*] **Oregon Commerce and Trade Commission** that a project is  
18 an eligible project that may receive a tax exemption under this section shall  
19 be conclusive, so long as the property included in the eligible project is  
20 constructed and installed in accordance with the application approved by the  
21 commission.

22 “(7) Notwithstanding subsection (1) of this section, if the owner or lessee  
23 of property exempt under this section fails to pay the fee required under ORS  
24 285C.609 (4)(b) by the end of the tax year in which it is due, the exemption  
25 shall be revoked and the property shall be fully taxable for the following tax  
26 year and for each subsequent tax year for which the fee remains unpaid. If  
27 an unpaid fee is paid after the exemption is revoked, the property shall again  
28 be eligible for the exemption provided under this section, beginning with the  
29 tax year after the payment is made. Reinstatement of the exemption under  
30 this subsection shall not extend the 15-year exemption period provided for in

1 subsection (2)(c) of this section.

2 **“SECTION 302.** ORS 314.669 is amended to read:

3 “314.669. (1) The Legislative Assembly finds that:

4 “(a) The State of Oregon has a compelling interest in promoting and  
5 stimulating economic development within this state to better provide for the  
6 welfare of its residents, in encouraging businesses to make significant capital  
7 investments within this state and in creating certainty in the apportionment  
8 of income for purposes of income and corporate excise taxation that achieves  
9 these ends;

10 “(b) Use of the single sales factor method to apportion income promotes  
11 an economic development climate that encourages businesses to locate and  
12 remain within this state, encourages existing Oregon businesses to expand  
13 their operations in Oregon and creates incentives for businesses to make  
14 significant capital investments within this state;

15 “(c) Qualifying investments will create significant, long-term economic  
16 benefits and serve as the catalyst for additional economic expansion within  
17 the State of Oregon;

18 “(d) It is in the interest of the State of Oregon to authorize the Governor,  
19 in consultation with the Director of the [*Oregon Business Development De-*  
20 *partment*] **Oregon Department of Commerce and Trade** and the Director  
21 of the Department of Revenue, to enter into qualifying investment contracts  
22 for purposes of stimulating economic development through qualifying in-  
23 vestments;

24 “(e) In consideration for making qualifying investments, taxpayers should  
25 be entitled to rely on the continued application of the single sales factor  
26 method to apportion their income for tax purposes;

27 “(f) Factors to be considered in determining the duration of the term of  
28 a qualifying investment contract should include, without limitation, the  
29 number of new employees to be added to the Oregon workforce of the tax-  
30 payer when the qualifying investment is complete, the duration and com-

1   pensation of the new jobs created, other economic development incentives  
2   received by the company and the extent to which the qualifying investment  
3   will create employment opportunities in rural Oregon; and

4       “(g) The State of Oregon has a compelling interest in contractually  
5   guaranteeing to taxpayers making qualifying investments that such taxpay-  
6   ers may rely on the single sales factor method as the applicable method to  
7   determine the portion of apportionable income subject to income or corporate  
8   excise tax in the State of Oregon.

9       “(2) The purposes of ORS 314.668 to 314.673 are:

10      “(a) To promote and stimulate economic development by creating an in-  
11   centive for qualifying investments;

12      “(b) To authorize the Governor, in consultation with the Director of the  
13   [*Oregon Business Development Department*] **Oregon Department of Com-**  
14   **merce and Trade** and the Director of the Department of Revenue, to enter  
15   into qualifying investment contracts on behalf of this state; and

16      “(c) To ratify any qualifying investment contracts entered into on or after  
17   December 14, 2012.

18      “(3) The intent of the Legislative Assembly is for ORS 314.668 to 314.673  
19   to establish a contractually binding obligation under which taxpayers that  
20   execute qualifying investment contracts with the State of Oregon may rely  
21   on the single sales factor method of apportionment to apportion their  
22   apportionable income for each tax year of the taxpayer that ends during the  
23   term of the qualifying investment contract.

24      “**SECTION 303.** ORS 314.671 is amended to read:

25      “314.671. (1) The Governor, in consultation with the Director of the  
26   [*Oregon Business Development Department*] **Oregon Department of Com-**  
27   **merce and Trade** and the Director of the Department of Revenue, may enter  
28   into, on behalf of the State of Oregon, a qualifying investment contract with  
29   any taxpayer according to the provisions of ORS 314.668 to 314.673.

30      “(2) Any contract executed pursuant to subsection (1) of this section on

1 or after December 14, 2012, and before March 15, 2013, that meets the re-  
2 quirements of a qualifying investment contract is ratified by ORS 314.668 to  
3 314.673.

4 “(3) A taxpayer may not satisfy the requirement that a qualifying invest-  
5 ment result in an increase in the number of employees of the taxpayer by  
6 gain of another entity’s existing Oregon employees through a merger or ac-  
7 quisition of any portion of that entity.

8 “(4) A qualifying investment contract executed under ORS 314.668 to  
9 314.673 may not be less than five years’ duration and may not exceed 30  
10 years’ duration.

11 “(5) The obligations of the State of Oregon under a qualifying investment  
12 contract:

13 “(a) Include the promise of this state that, if the taxpayer commences a  
14 qualifying investment, the taxpayer’s Oregon corporate tax liability may not  
15 exceed the amount the taxpayer would pay or owe under the single sales  
16 factor method for each tax year that ends during the term of the qualifying  
17 investment contract; and

18 “(b) May not be abridged, impaired, limited or modified by any subsequent  
19 law.

20 “(6) If a taxpayer that has executed a qualifying investment contract files  
21 a report or return with the Department of Revenue for a tax year ending  
22 during the term of the qualifying investment contract and reporting personal  
23 income taxes or corporate excise or income taxes imposed under ORS chapter  
24 316, 317 or 318, that are determined in whole or part by apportioning income  
25 using the single sales factor method, the department may not assess a defi-  
26 ciency against the taxpayer that is attributable to the use of a different  
27 method of apportionment.

28 “(7) An action for a breach of a qualifying investment contract may be  
29 brought against the State of Oregon.

30 “(8) The sole and exclusive remedies for the State of Oregon in an action

1 for breach of a qualifying investment contract brought by the state shall be:

2 “(a) A judgment rescinding the qualifying investment contract; and

3 “(b) A judgment awarding an amount equal to the difference, if any, be-  
4 tween:

5 “(A) The amount of taxes due from the taxpayer under the single sales  
6 factor method from the date of breach through termination of the qualifying  
7 investment contract; and

8 “(B) The amount of taxes due from the taxpayer during the same period  
9 using the method of apportioning income:

10 “(i) Under the tax laws that would have applied to the taxpayer but for  
11 the qualifying investment contract; or

12 “(ii) Identified in the judgment as fairly representing the extent of the  
13 taxpayer’s business activity in this state.

14 “**SECTION 304.** ORS 314.673 is amended to read:

15 “314.673. (1) The [*Oregon Business Development Department*] **Oregon De-**  
16 **partment of Commerce and Trade** may, after consultation with the De-  
17 partment of Revenue, adopt rules to implement ORS 314.668 to 314.673,  
18 including rules that define terms consistently with ORS 314.668 to 314.673.  
19 Rules adopted under this section apply only to qualifying investment con-  
20 tracts executed on or after the date the rule is adopted.

21 “(2) On or before February 15 of each odd-numbered year, the [*Oregon*  
22 *Business Development Department*] **Oregon Department of Commerce and**  
23 **Trade** shall report to the Legislative Assembly in the manner provided in  
24 ORS 192.245 regarding the progress of qualifying investment contracts exe-  
25 cuted under ORS 314.668 to 314.673, including whether each taxpayer subject  
26 to a qualifying investment contract has complied with the employment re-  
27 quirement under ORS 314.668 (4).

28 “**SECTION 305.** ORS 315.341 is amended to read:

29 “315.341. (1) A credit is allowed against the taxes otherwise due under  
30 ORS chapter 316 (or, if the taxpayer is a corporation, under ORS chapter 317

1 or 318), based upon the certified cost of a renewable energy resource equip-  
2 ment manufacturing facility during the period for which the facility is cer-  
3 tified under ORS 285C.540 to 285C.559. The credit allowed under this section  
4 in each of five succeeding tax years shall be 10 percent of the certified cost  
5 of the facility, but may not exceed the tax liability of the taxpayer.

6 “(2) In order for a tax credit to be allowable under this section:

7 “(a) The facility must be located in Oregon;

8 “(b) The facility must have received:

9 “(A) Final certification from the Director of the [*Oregon Business Devel-*  
10 *opment Department*] **Oregon Department of Commerce and Trade** under  
11 ORS 285C.540 to 285C.559; or

12 “(B) Final certification from the Director of the State Department of  
13 Energy under ORS 469B.130 to 469B.169, prior to January 1, 2012; and

14 “(c) The taxpayer must be an eligible applicant under ORS 285C.547 (1)(b).

15 “(3) The total amount of credit allowable to an eligible taxpayer under  
16 this section may not exceed 50 percent of the certified cost of a facility.

17 “(4)(a) Upon any sale, termination of the lease or contract, exchange or  
18 other disposition of the facility, notice thereof shall be given to the Director  
19 of the [*Oregon Business Development Department*] **Oregon Department of**  
20 **Commerce and Trade**, who shall revoke the certificate covering the facility  
21 as of the date of such disposition.

22 “(b) The new owner, or upon re-leasing of the facility, the new lessor,  
23 may apply for a new certificate under ORS 285C.553. The new lessor or  
24 owner must meet the requirements of ORS 285C.540 to 285C.559 and may  
25 claim a tax credit under this section only if all moneys owed to the State  
26 of Oregon have been paid, the facility continues to operate, unless continued  
27 operation is waived by the [*Oregon Business Development Department*]  
28 **Oregon Department of Commerce and Trade**, and all conditions in the  
29 final certification are met. The tax credit available to the new owner shall  
30 be limited to the amount of credit not claimed by the former owner or, for

1 a new lessor, the amount of credit not claimed by the lessor under all pre-  
2 vious leases.

3 “(5) Any tax credit otherwise allowable under this section that is not used  
4 by the taxpayer in a particular year may be carried forward and offset  
5 against the taxpayer’s tax liability for the next succeeding tax year. Any  
6 credit remaining unused in that next succeeding tax year may be carried  
7 forward and used in the second succeeding tax year, and likewise, any credit  
8 not used in that second succeeding tax year may be carried forward and used  
9 in the third succeeding tax year, and likewise, any credit not used in that  
10 third succeeding tax year may be carried forward and used in the fourth  
11 succeeding tax year, and likewise, any credit not used in that fourth suc-  
12 ceeding tax year may be carried forward and used in the fifth succeeding tax  
13 year, and likewise, any credit not used in that fifth succeeding tax year may  
14 be carried forward and used in the sixth succeeding tax year, and likewise,  
15 any credit not used in that sixth succeeding tax year may be carried forward  
16 and used in the seventh succeeding tax year, and likewise, any credit not  
17 used in that seventh succeeding tax year may be carried forward and used  
18 in the eighth succeeding tax year, but may not be carried forward for any  
19 tax year thereafter. Credits may be carried forward to and used in a tax year  
20 beyond the years specified in subsection (1) of this section only as provided  
21 in this subsection.

22 “(6) The credit allowed under this section is not in lieu of any depreci-  
23 ation or amortization deduction for the facility to which the taxpayer oth-  
24 erwise may be entitled for purposes of ORS chapter 316, 317 or 318 for such  
25 year.

26 “(7) The taxpayer’s adjusted basis for determining gain or loss may not  
27 be decreased by any tax credits allowed under this section.

28 “(8) The definitions in ORS 285C.540 apply to this section.

29 **“SECTION 306.** ORS 315.516 is amended to read:

30 “315.516. (1) In lieu of the issuance of certifications for tax credit under



1 ORS 315.514 by the Oregon Film and Video Office, the Legislative Assembly  
2 may, no later than 30 days prior to the end of each fiscal year, appropriate  
3 to the [*Oregon Business Development Department*] **Oregon Department of**  
4 **Commerce and Trade** for deposit into the Oregon Production Investment  
5 Fund an amount equal to the total amount that would otherwise be certified  
6 for tax credits during the current or upcoming fiscal year, based on the  
7 amount of contributions and accompanying applications for credit received  
8 by the office during the fiscal year and reduced by the amount, if any, pre-  
9 viously certified for the credit for the corresponding fiscal year.

10 “(2) If the Legislative Assembly makes the election allowed in subsection  
11 (1) of this section:

12 “(a) No additional amount of credits may be certified for the correspond-  
13 ing fiscal year; and

14 “(b) Any contributions to the Oregon Production Investment Fund made  
15 for the upcoming fiscal year and for which an application for a credit under  
16 ORS 315.514 is denied shall, at the request of the taxpayer, be refunded by  
17 the Oregon Film and Video Office.

18 **“SECTION 307.** ORS 315.518 is amended to read:

19 “315.518. (1) As used in this section, ‘qualified semiconductor company’  
20 means an entity whose primary business is the research, design, development,  
21 fabrication, assembly, testing, packaging or validation of semiconductors, or  
22 an entity whose primary business is the creation of semiconductor manufac-  
23 turing equipment, semiconductor core intellectual property or electronic de-  
24 sign automation software that is primarily intended for use in the  
25 semiconductor industry.

26 “(2) A credit against taxes otherwise due under ORS chapter 316 or, if the  
27 taxpayer is a corporation, under ORS chapter 317 shall be allowed to eligible  
28 taxpayers for increases in qualified research expenses and basic research  
29 payments. The credit shall be determined in accordance with section 41 of  
30 the Internal Revenue Code, except as follows:

1 “(a) The applicable percentage specified in section 41(a) of the Internal  
2 Revenue Code shall be 15 percent.

3 “(b) ‘Qualified research’ and ‘basic research’ shall consist only of research  
4 conducted in Oregon by a qualified semiconductor company, in support of a  
5 trade or business directly related to semiconductors.

6 “(c) Section 41(c)(4) of the Internal Revenue Code (relating to the alter-  
7 native incremental credit) does not apply to the credit allowable under this  
8 section.

9 “(3) The Income Tax Regulations as prescribed by the Secretary of the  
10 Treasury under authority of section 41 of the Internal Revenue Code apply  
11 for purposes of this section, except as modified by this section or as provided  
12 in rules adopted by the Department of Revenue.

13 “(4) The maximum credit under this section may not exceed \$4 million for  
14 any taxpayer.

15 “(5) Prior to claiming a credit under this section, a taxpayer must obtain  
16 from the [*Oregon Business Development Department*] **Oregon Department  
17 of Commerce and Trade:**

18 “(a) If applicable, approval from the [*Oregon Business Development De-*  
19 *partment*] **Oregon Department of Commerce and Trade** as provided in  
20 section 5, chapter 298, Oregon Laws 2023.

21 “(b) Certification as provided in ORS 315.522.

22 “(6) The [*Oregon Business Development Department*] **Oregon Department  
23 of Commerce and Trade** shall provide information to the Department of  
24 Revenue about all certifications issued under ORS 315.522, if required by  
25 ORS 315.058.

26 “(7) The Director of the [*Oregon Business Development Department*]  
27 **Oregon Department of Commerce and Trade** may order the suspension  
28 or revocation of a credit allowed under this section, as provided in ORS  
29 315.061.

30 “(8) A deduction may not be taken for the portion of expenses or pay-

1 ments, otherwise allowable as a deduction, that is equal to the amount of the  
2 credit claimed under this section.

3 “(9) Notwithstanding ORS 317.090 (3), the refundable portion of a credit  
4 under this section is allowed against the tax imposed under ORS 317.090 and  
5 may reduce the tax imposed under ORS 317.090 to zero. Any remaining  
6 amount of credit above the minimum shall be refunded as provided in ORS  
7 315.519.

8 “(10) Any tax credit that is otherwise allowable under this section and  
9 that is not used by the taxpayer in that year may be carried forward and  
10 offset against the taxpayer’s tax liability for the next succeeding tax year.  
11 Any credit remaining unused in such next succeeding tax year may be car-  
12 ried forward and used in the second succeeding tax year, and likewise any  
13 credit not used in that second succeeding tax year may be carried forward  
14 and used in the third succeeding tax year, and any credit not used in that  
15 third succeeding tax year may be carried forward and used in the fourth  
16 succeeding tax year, and any credit not used in that fourth succeeding tax  
17 year may be carried forward and used in the fifth succeeding tax year, but  
18 may not be carried forward for any tax year thereafter.

19 **“SECTION 308.** ORS 315.522 is amended to read:

20 “315.522. (1) A taxpayer seeking to claim the credit provided under ORS  
21 315.518 shall file for each tax year a written application for certification  
22 with the [*Oregon Business Development Department*] **Oregon Department**  
23 **of Commerce and Trade.** The application must include:

24 “(a) A description of how the taxpayer meets the definition of a qualified  
25 semiconductor company under ORS 315.518;

26 “(b) A description of how proposed research and development activities  
27 for which the taxpayer seeks a tax credit under ORS 315.518 will support the  
28 taxpayer in conducting a business or trade directly related to semiconduc-  
29 tors; and

30 “(c) Any other information that is required by the department by rule.

1 “(2) An application for certification under this section must be accompa-  
2 nied by a payment of any fee established by the department by rule under  
3 subsection (4) of this section.

4 “(3) After considering timely filed and complete applications, along with  
5 amounts available under section 8, chapter 298, Oregon Laws 2023, the de-  
6 partment shall, if the department deems appropriate, issue a certification to  
7 an applicant taxpayer if the department determines that the taxpayer is a  
8 qualified semiconductor company as that term is defined under ORS 315.518,  
9 and if the taxpayer attests that the proposed research and development ac-  
10 tivities for which the taxpayer seeks the credit under ORS 315.518 will sup-  
11 port the taxpayer in conducting a trade or business directly related to  
12 semiconductors.

13 “(4) The department shall establish by rule a fee for filing a written ap-  
14 plication for certification under this section. The fee shall be adequate to  
15 recover the costs incurred by the department in reviewing the applications  
16 under this section.

17 “(5) Information submitted to the department under this section or section  
18 5, chapter 298, Oregon Laws 2023, is exempt from public disclosure under  
19 ORS 192.311 to 192.478 and must be treated as confidential.

20 **“SECTION 309.** ORS 315.533 is amended to read:

21 “315.533. (1) As used in this section, ‘applicable percentage’ means zero  
22 percent for each of the first two credit allowance dates, seven percent for the  
23 third credit allowance date and eight percent for the next four credit allow-  
24 ance dates.

25 “(2) A person that makes a qualified equity investment shall, at the time  
26 of investment, earn a vested credit against the taxes otherwise due under  
27 ORS chapter 316 or, if the person is a corporation, under ORS chapter 317  
28 or 318.

29 “(3)(a) The total amount of the tax credit available to a taxpayer under  
30 this section shall equal 39 percent of the purchase price of the qualified eq-

1 uity investment.

2 “(b) The taxpayer that holds a qualified equity investment on a particular  
3 credit allowance date of the qualified equity investment may claim a portion  
4 of the tax credit against its tax liability for the tax year that includes the  
5 credit allowance date equal to the applicable percentage for that credit al-  
6 lowance date multiplied by the purchase price of the qualified equity in-  
7 vestment.

8 “(4) The credit allowed under this section may not exceed the tax liability  
9 of the taxpayer for the tax year in which the credit is claimed.

10 “(5) Any tax credit otherwise allowable under this section that is not used  
11 by the taxpayer in a particular tax year may be carried forward and offset  
12 against the taxpayer’s tax liability for the next succeeding tax year. Any  
13 credit remaining unused in the next succeeding tax year may be carried  
14 forward and used in the second succeeding tax year. Any credit remaining  
15 unused in the second succeeding tax year may be carried forward and used  
16 in the third succeeding tax year. Any credit remaining unused in the third  
17 succeeding tax year may be carried forward and used in the fourth succeed-  
18 ing tax year. Any credit remaining unused in the fourth succeeding tax year  
19 may be carried forward and used in the fifth succeeding tax year, but may  
20 not be used in any tax year thereafter.

21 “(6) The following conditions must exist for a taxpayer to be eligible for  
22 the credit allowed under this section:

23 “(a) A qualified community development entity that issues a debt instru-  
24 ment may not make cash interest payments on the debt instrument during  
25 the period commencing with its issuance and ending on its final credit al-  
26 lowance date in excess of the sum of the cash interest payments and the  
27 cumulative operating income, as defined in the regulations promulgated un-  
28 der section 45D of the Internal Revenue Code, of the qualified community  
29 development entity for the same period. Neither this paragraph nor the de-  
30 finition of ‘long-term debt security’ provided in ORS 315.529 in any way

1 limits the holder's ability to accelerate payments on the debt instrument in  
2 situations where the qualified community development entity has defaulted  
3 on covenants designed to ensure compliance with this section or section 45D  
4 of the Internal Revenue Code.

5       “(b) A business shall be considered a qualified active low-income commu-  
6 nity business for the duration of a qualified community development entity's  
7 investment in or loan to the business, if it is reasonable to expect that at  
8 the time of the qualified community development entity's investment in or  
9 loan to a qualified active low-income community business, the business will  
10 continue to satisfy the requirements for being a qualified active low-income  
11 community business throughout the entire period of the investment or loan.

12       “(c) A qualified equity investment must be designated by the issuer as a  
13 qualified equity investment and be certified by the [*Oregon Business Devel-*  
14 *opment Department*] **Oregon Department of Commerce and Trade** as not  
15 exceeding the limitation in ORS 285C.653. The qualified community develop-  
16 ment entity must keep sufficiently detailed books and records with respect  
17 to the investments made with the proceeds of the qualified equity invest-  
18 ments to allow the direct tracing of proceeds into qualified low-income  
19 community investments in qualified active low-income community businesses  
20 in this state.

21       “(d) The qualified community development entity shall report annually to  
22 the department:

23       “(A) The number of employment positions created and retained as a result  
24 of qualified low-income community investments by the qualified community  
25 development entity;

26       “(B) The average annual salary of positions described in subparagraph (A)  
27 of this paragraph; and

28       “(C) The number of positions described in subparagraph (A) of this para-  
29 graph that provide health benefits.

30       “(e) The maximum amount of qualified low-income community investments

1 that may be made in a qualified active low-income community business and  
2 all of its affiliates, with the proceeds of qualified equity investments that  
3 have been certified under ORS 285C.650, shall be \$8 million, whether made  
4 by one or several qualified community development entities.

5 “(f) A qualified equity investment must be made before July 1, 2016.  
6 Nothing in this paragraph precludes an entity that makes a qualified equity  
7 investment prior to July 1, 2016, from claiming a tax credit relating to that  
8 qualified equity investment for each applicable credit allowance date.

9 “(7) A taxpayer claiming a credit under this section may not claim any  
10 other credit under this chapter or ORS chapter 285C during the same tax  
11 year based on activities related to the same qualified active low-income  
12 community business.

13 **“SECTION 310.** ORS 319.415 is amended to read:

14 “319.415. (1) On or before July 15 of each year, the Oregon Department  
15 of Administrative Services, after consultation with the Department of  
16 Transportation and the State Marine Board, shall determine the amount of  
17 the motor vehicle fuel tax imposed under ORS 319.010 to 319.430 during the  
18 preceding fiscal year with respect to fuel purchased and used to operate or  
19 propel motor boats. The amount determined shall be reduced by the amount  
20 of any refunds for motor boats used for commercial purposes actually paid  
21 during the preceding year on account of ORS 319.280 (1)(a).

22 “(2)(a) The Oregon Department of Administrative Services shall estimate  
23 the amount of fuel described in subsection (1) of this section that is used to  
24 operate or propel motor boats by conducting a statistically valid, unbiased,  
25 independent survey of boat owners. The survey shall be conducted once every  
26 four years and shall be designed to estimate the average daily fuel con-  
27 sumption by motor boats and the total days of motor boat use per year. The  
28 survey shall be used to determine the amount of the transfer required by  
29 subsection (3) of this section for the first transfer that occurs after the sur-  
30 vey is completed. If the tax rate changes during the fiscal year, the amount

1 of tax to be transferred shall be prorated based on the percentage of total  
2 motor boat use taking place during each tax period.

3 “(b) In years when no survey is conducted, the amount to be transferred  
4 under subsection (3) of this section shall be calculated by multiplying the  
5 per boat fuel consumption factors from the preceding survey by the number  
6 of motor boats as shown by the annual actual count of boat registrations.  
7 The resulting amount, in gallons per year, shall be the basis for the deter-  
8 mination of the amount to be transferred.

9 “(c) The survey required by paragraph (a) of this subsection shall be de-  
10 veloped by a research department within Oregon State University, in con-  
11 sultation with the State Marine Board and the Department of  
12 Transportation. The Oregon Department of Administrative Services shall  
13 contract for the development and conduct of the survey, and the costs shall  
14 be paid by the Department of Transportation. Costs paid by the Department  
15 of Transportation may be deducted from the amount transferred to the State  
16 Marine Board and to the [*Oregon Business Development Department*] **Oregon**  
17 **Department of Commerce and Trade** under subsection (3) of this section.

18 “(3) The Oregon Department of Administrative Services shall certify the  
19 amount of the estimate made under subsection (1) of this section, as reduced  
20 by refunds, to the Department of Transportation, to the State Marine Board,  
21 to the [*Oregon Business Development Department*] **Oregon Department of**  
22 **Commerce and Trade** and to the State Treasurer. Thereupon, that amount  
23 shall be transferred from the Department of Transportation Driver and Mo-  
24 tor Vehicle Suspense Account to the:

25 “(a) Boating Safety, Law Enforcement and Facility Account created under  
26 ORS 830.140, and is continuously appropriated to the State Marine Board for  
27 the purposes for which the moneys in the Boating Safety, Law Enforcement  
28 and Facility Account are appropriated; and

29 “(b) Marine Navigation Improvement Fund established under ORS 777.267,  
30 and is continuously appropriated to the [*Oregon Business Development De-*



1 *partment]* **Oregon Department of Commerce and Trade** for the Oregon  
2 Infrastructure Finance Authority for the purposes of paying for portions of  
3 the cost of maintenance dredging projects undertaken with equipment owned  
4 by the State of Oregon at publicly owned ports and marinas.

5 “(4) Of the amounts transferred under subsection (3) of this section, two  
6 cents per gallon of fuel shall first be transferred to the Marine Navigation  
7 Improvement Fund and the remaining amounts shall be transferred to the  
8 Boating Safety, Law Enforcement and Facility Account.

9 **“SECTION 311.** ORS 329.850 is amended to read:

10 “329.850. (1) The Education and Workforce Policy Advisor, in consultation  
11 with the Department of Education, the Higher Education Coordinating  
12 Commission, the Bureau of Labor and Industries, the [*Oregon Business De-*  
13 *velopment Department]* **Oregon Department of Commerce and Trade** and  
14 the Department of Human Services, shall propose policies and strategies  
15 consistent with this chapter.

16 “(2) The Education and Workforce Policy Advisor’s policies and strategies  
17 must take into account that:

18 “(a) The state must promote innovative thinking with respect to the cur-  
19 riculum and educational delivery system of Oregon public schools;

20 “(b) The state must require of all youth a level of achievement that pre-  
21 pares them to pursue college, career and technical education programs, ap-  
22 prenticeships, work-based training and school-to-work programs;

23 “(c) Greater employer investment is essential in the ongoing training of  
24 all workers to meet workforce needs;

25 “(d) The state must encourage Oregon businesses to improve productivity  
26 by creating high performance work organizations that provide high skills and  
27 high wage opportunities for youth and adults; and

28 “(e) All employment-related training, education and job placement ser-  
29 vices and sources of funds must be coordinated among state agencies and  
30 boards and must complement the state’s overall efforts on behalf of youth

1 and adults.

2 **“SECTION 312.** ORS 329A.720 is amended to read:

3 “329A.720. (1) Early educational investments are severely underfunded.

4 “(2) There is a shortage of affordable and accessible child care in this  
5 state.

6 “(3) Early learning and care providers have limited finances to facilitate  
7 expansion of a robust child care infrastructure.

8 “(4) High-quality early child care investment promotes regional economic  
9 growth by increasing the number of jobs available within the child care and  
10 construction workforce sectors and by providing consistent, accessible and  
11 reliable care that is necessary to allow parents to participate in the labor  
12 force.

13 “(5) Quality early learning and care facilities that are developmentally  
14 appropriate, inclusive of children with disabilities, culturally relevant and  
15 responsive and environmentally healthy support child brain development and  
16 the well-being of children and early learning and child care staff.

17 “(6) Sustained public investment and technical assistance are necessary  
18 to overcome constraints and incentivize the development and expansion of  
19 early learning and care resources in this state.

20 “(7) The purpose of ORS 329A.720 to 329A.732 is to provide financial as-  
21 sistance to eligible applicants for activities that promote increased early  
22 learning and care capacity across the state, in an amount determined on a  
23 case-by-case basis by the [*Oregon Business Development Department*] **Oregon**  
24 **Department of Commerce and Trade.**

25 **“SECTION 313.** ORS 329A.723 is amended to read:

26 “329A.723. As used in ORS 329A.720 to 329A.732:

27 “(1) ‘Administrative costs’ includes, but is not limited to, the direct and  
28 indirect costs incurred by the [*Oregon Business Development Department*]  
29 **Oregon Department of Commerce and Trade** for:

30 “(a) Reviewing and processing applications for grants and loans for fi-

1 nancial assistance submitted by eligible applicants under ORS 329A.727.

2 “(b) Monitoring the use of funds by recipients.

3 “(2) ‘Child care facility’ has the meaning given that term in ORS  
4 329A.250.

5 “(3) ‘Early child care infrastructure activity’ means an activity that con-  
6 tributes to the development of a robust child care system in this state.

7 “(4) ‘Eligible applicant’ means any of the following:

8 “(a) A certified or registered family child care provider.

9 “(b) A person or nonprofit organization that operates a child care facility.

10 “(c) A child care center certified under ORS 329A.280 by the Department  
11 of Early Learning and Care.

12 “(d) Federally recognized Indian tribes in Oregon that are preschool pro-  
13 vidors participating in the Preschool Promise Program established under  
14 ORS 329.172.

15 “(e) Organizations that support the expansion or establishment of child  
16 care providers.

17 “(f) Programs that serve children in publicly funded early learning and  
18 care programs including:

19 “(A) Programs funded by the Early Childhood Equity Fund established  
20 under ORS 417.781.

21 “(B) Relief nurseries.

22 “(C) Programs that receive subsidies through the Employment Related  
23 Day Care subsidy program under ORS 329A.500.

24 “(D) Oregon Head Start, prekindergarten and Early Head Start programs.

25 “(E) Programs that provide early childhood special education or early  
26 intervention services, as provided by ORS 343.475.

27 “(g) Culturally specific early learning, early childhood and parent support  
28 programs described under ORS 417.782 (1).

29 “(h) Any other applicants that the [*Oregon Business Development Depart-*  
30 *ment*] **Oregon Department of Commerce and Trade** deems to be an eligi-

1 ble applicant as provided by department rule.

2 “(5) ‘Family child care provider’ has the meaning given that term in ORS  
3 329A.430.

4 **“SECTION 314.** ORS 329A.725 is amended to read:

5 “329A.725. (1)(a) The Child Care Infrastructure Fund is established in the  
6 State Treasury, separate and distinct from the General Fund. Interest earned  
7 by the Child Care Infrastructure Fund shall be credited to the fund.

8 “(b) Moneys in the fund are continuously appropriated to the [*Oregon*  
9 *Business Development Department*] **Oregon Department of Commerce and**  
10 **Trade** for the purposes set forth in ORS 329A.727.

11 “(c) The [*Oregon Business Development Department*] **Oregon Department**  
12 **of Commerce and Trade** shall administer the fund in consultation with the  
13 Department of Early Learning and Care.

14 “(2) The fund shall consist of moneys credited to the fund, including:

15 “(a) Moneys appropriated to the fund by the Legislative Assembly;

16 “(b) Moneys transferred to the fund by the [*Oregon Business Development*  
17 *Department*] **Oregon Department of Commerce and Trade**;

18 “(c) Earnings on moneys in the fund;

19 “(d) Moneys received from the federal or state government; and

20 “(e) Moneys from any other source, including, but not limited to, grants  
21 and gifts.

22 **“SECTION 315.** ORS 329A.727 is amended to read:

23 “329A.727. (1) The [*Oregon Business Development Department*] **Oregon**  
24 **Department of Commerce and Trade** shall administer a grant and loan  
25 program to provide financial assistance to eligible applicants for allowable  
26 costs expended for early child care infrastructure activities, from moneys in  
27 the Child Care Infrastructure Fund established under ORS 329A.725, in ac-  
28 cordance with this section.

29 “(2) The department shall:

30 “(a) Coordinate with the Department of Early Learning and Care and

1 consult with the Department of Education and the Housing and Community  
2 Services Department in the design and implementation of the program.

3 “(b) Engage with relevant stakeholders, including but not limited to  
4 nonprofit and for-profit entities that are directly or indirectly involved in  
5 child care throughout the state, to collect necessary information that may  
6 be used to facilitate the design and implementation of the program.

7 “(3) For purposes of this section, allowable costs include, but are not  
8 limited to:

9 “(a) Costs for the planning and design of early learning and care facili-  
10 ties.

11 “(b) Costs for property acquisition to be used for early learning and care  
12 facilities or child care facility development projects.

13 “(c) Repairs, improvements and renovations to early learning and care  
14 facilities, including climate resilience modifications, energy efficiency im-  
15 provements, seismic retrofitting and necessary repairs due to a natural dis-  
16 aster.

17 “(d) Child care facility development projects, including direct project  
18 management costs.

19 “(e) Costs of contracting with third parties, including but not limited to  
20 nonprofit entities and community development financial institutions, to as-  
21 sist in the administration of child care infrastructure activities.

22 “(f) Construction costs and expenses.

23 “(g) Costs related to child care workforce investments.

24 “(h) Costs related to providing support to organizations in the establish-  
25 ment or expansion of child care providers and facilities.

26 “(i) Other costs that the [*Oregon Business Development Department*]  
27 **Oregon Department of Commerce and Trade**, after consulting with the  
28 Department of Early Learning and Care, determines to be necessary to carry  
29 out early child care infrastructure activities.

30 “(4) In addition to the allowable costs under subsection (3) of this section,

1 the [*Oregon Business Development Department*] **Oregon Department of**  
2 **Commerce and Trade** may use moneys from the Child Care Infrastructure  
3 Fund to pay administrative costs incurred by the department.

4 “(5) Subject to subsection (6) of this section, the amount of financial as-  
5 sistance provided to eligible applicants under this section shall be in an  
6 amount prescribed by the department by rule, except that the department  
7 may not:

8 “(a) Distribute funds to an eligible applicant that is a school district:

9 “(A) In an amount that exceeds 25 percent of the amount appropriated to  
10 the [*Oregon Business Development Department*] **Oregon Department of**  
11 **Commerce and Trade** under ORS 329A.725.

12 “(B) Unless the school district has demonstrated the ability to provide  
13 matching funds in an amount that is equal to the amount of matching funds  
14 the school district is required to provide under the Oregon School Capital  
15 Improvement Matching Program under ORS 286A.801.

16 “(b) Distribute funds to eligible applicants that are culturally specific  
17 early learning, early childhood and parent support programs described under  
18 ORS 417.782 (1), in an amount that is less than 25 percent of the total  
19 amount appropriated to the department under ORS 329A.725.

20 “(6) The total amount of financial assistance allowable to eligible appli-  
21 cants under this section must be distributed with regard to the availability  
22 of funds. If the funds available in the Child Care Infrastructure Fund es-  
23 tablished under ORS 329A.725 are not adequate to provide financial support  
24 to all eligible applicants that have been approved by the department to re-  
25 ceive financial assistance under this section, the department may prioritize  
26 distribution based on an applicant’s ability or demonstrated commitment to  
27 provide any of the following child care services to families with the greatest  
28 child care needs:

29 “(a) Culturally and linguistically specific and appropriate early learning  
30 and care;

1 “(b) Child care during nonstandard working hours such as evenings and  
2 weekends;

3 “(c) Child care for infants and toddlers;

4 “(d) Early learning and care that aligns with parent preferences; or

5 “(e) Early learning and care in communities that have historically expe-  
6 rienced a lack of accessible and affordable child care.

7 “(7)(a) The department, in consultation with the Department of Early  
8 Learning and Care, shall adopt rules to implement this section. At a mini-  
9 mum, the rules must include:

10 “(A) An application process by which an eligible applicant may apply for  
11 financial assistance under this section;

12 “(B) The terms and conditions for any agreements related to financial  
13 assistance provided under this section;

14 “(C) A process for reviewing and approving applications submitted for fi-  
15 nancial assistance received under this section;

16 “(D) Subject to limitations under subsections (5) and (6) of this section,  
17 the amount of financial assistance that may be provided to eligible appli-  
18 cants; and

19 “(E) A process for establishing prioritizations upon which the [*Oregon*  
20 *Business Development Department*] **Oregon Department of Commerce and**  
21 **Trade** may base the awarding of grants and loans for financial assistance  
22 under this section to eligible applicants located in rural geographic areas  
23 and among historically underserved communities.

24 “(b) The department shall, in consultation with the Early Learning  
25 Council established under ORS 326.425, adopt rules concerning applicants  
26 that the department may deem to be eligible applicants.

27 “**SECTION 316.** ORS 348.702 is amended to read:

28 “348.702. (1) There is created within the Education Stability Fund the  
29 Oregon Growth Account, to which shall be credited, in the manner provided  
30 in subsection (2) of this section, 10 percent of the funds transferred under

1 Article XV, section 4, of the Oregon Constitution, from the Administrative  
2 Services Economic Development Fund to the Education Stability Fund. Sep-  
3 arate records shall be maintained for moneys in the Oregon Growth Account  
4 that are available for the purposes specified in subsection (5) of this section.  
5 The account may be credited with unrestricted appropriations, gifts, do-  
6 nations, grants or contract proceeds from any source, with investments or  
7 funds from any source and with returns on investments made from the ac-  
8 count.

9 “(2) The Oregon Department of Administrative Services may credit to the  
10 Oregon Growth Account from the first funds transferred in a fiscal year to  
11 the Education Stability Fund under Article XV, section 4, of the Oregon  
12 Constitution, an amount up to the amount the department estimates to be  
13 10 percent of the funds required to be transferred to the Education Stability  
14 Fund for that fiscal year.

15 “(3) If at the end of the fiscal year the amount credited to the Oregon  
16 Growth Account under subsection (2) of this section is less than or greater  
17 than 10 percent of the amount required to be transferred under Article XV,  
18 section 4, of the Oregon Constitution, to the Education Stability Fund, the  
19 amount credited to the Oregon Growth Account shall be adjusted in one of  
20 the following ways:

21 “(a) The amount credited to the account in the following fiscal year may  
22 be adjusted;

23 “(b) Any excess may be transferred from the Oregon Growth Account to  
24 the Education Stability Fund; or

25 “(c) Any shortage may be transferred from the Education Stability Fund  
26 to the Oregon Growth Account from funds available for that purpose.

27 “(4) Adjustments required by subsection (3) of this section shall be made  
28 without consideration of any interest or other earnings that have accrued  
29 during the fiscal year.

30 “(5) The purpose of the Oregon Growth Account is to earn returns for the



1 Education Stability Fund.

2 “(6) The investment of funds in the Oregon Growth Account shall be  
3 governed by the Oregon Growth Board.

4 “(7) The [*Oregon Business Development Department*] **Oregon Department**  
5 **of Commerce and Trade**, on behalf of the Oregon Growth Board, may use  
6 moneys in the Oregon Growth Account to pay the administrative costs as-  
7 sociated with the account and with administering those portions of ORS  
8 284.881 to 284.890 that pertain to the account.

9 **“SECTION 317.** ORS 350.115 is amended to read:

10 “350.115. (1) The Higher Education Coordinating Commission shall cause  
11 to have prepared and submitted to the Legislative Assembly a program and  
12 time schedule for the establishment of regional services institutes at appro-  
13 priate public universities. The program shall include academic curriculum  
14 and practical training appropriate to train students in various aspects of  
15 economic and community services planning, with particular emphasis on  
16 economic services planning for areas of the state that have common ge-  
17 ographic, economic and social characteristics but that do not have sufficient  
18 population to qualify as metropolitan statistical areas.

19 “(2) In carrying out its duties under subsection (1) of this section, the  
20 commission shall consult with the [*Oregon Business Development*  
21 *Department*] **Oregon Department of Commerce and Trade** and shall rely  
22 on the department for technical advice and, as necessary, technical services.  
23 The commission shall also consult with community colleges, the Oregon  
24 State University Extension Service, economic development districts and spe-  
25 cial districts providing community and economic development services in the  
26 region in order to prepare curriculum and programs with particular emphasis  
27 on streamlining existing programs, avoiding duplication and overlap of pro-  
28 grams, better utilizing students and resources and identifying needs in the  
29 region that are currently unaddressed.

30 “(3) In preparing programs for establishing regional services institutes,

1 the commission shall give priority to establishing institutes at Eastern  
2 Oregon University and Southern Oregon University.

3 **SECTION 318.** ORS 350.120 is amended to read:

4 “350.120. Programs prepared under ORS 350.115 shall include proposals for  
5 training students and utilizing resources in the following, using the region  
6 in which the institute is located as the training area:

7 “(1) Developing specific resources on the campus where the institute is  
8 to be located to assist with orderly and balanced economic and community  
9 services and for the development and implementation of training and assist-  
10 ance programs;

11 “(2) Providing technical and research assistance on request to political  
12 subdivisions, special districts, businesses located in the region and businesses  
13 which might prospectively locate in the region;

14 “(3) Locating markets for local manufacturers and processors and aiding  
15 local merchants in locating and contacting markets;

16 “(4) Investigating and studying conditions affecting local business, indus-  
17 try and commerce and collecting and disseminating information, and engag-  
18 ing in technical studies, scientific investigations, and statistical research and  
19 educational activities necessary or useful for the promoting and developing  
20 local business and industry upon request of local business and industry for  
21 such aid;

22 “(5) Assembling and coordinating information relative to the status,  
23 scope, cost and employment possibilities and the availability of materials,  
24 equipment and labor in connection with public works projects, state, county  
25 and municipal; recommending limitations on public works; gathering current  
26 progress information with respect to public works being conducted in the  
27 local area and report such information to the [*Oregon Business Development*  
28 *Commission*] **Oregon Commerce and Trade Commission** where such  
29 sources in the region do not presently exist;

30 “(6) Gathering, compiling and making available statistical information

1 relating to business, trade, commerce, industry, transportation, communi-  
2 cation, natural resources and other related subjects in the region, with reli-  
3 ance on other agencies of the state and the region, whether public or private,  
4 for statistical data and results obtained by them;

5 “(7) Publishing, disseminating and distributing information and statistics  
6 acquired by the institute;

7 “(8) Aiding the communities in the region in getting businesses to locate  
8 therein by disseminating information as to natural resources, desirable lo-  
9 cations and other advantages of the community upon request of the commu-  
10 nity for such aid;

11 “(9) Cooperating with municipal, county, regional and other planning  
12 agencies and planning groups within the state for the purpose of promoting  
13 coordination between the state and localities as to plans and development in  
14 order to maintain a high level of gainful employment in private profitable  
15 production and achieve commensurate advancement in social and cultural  
16 welfare; and

17 “(10) Aiding in coordinating the activities of statewide and local planning  
18 agencies, correlating information secured from them, assisting in problem  
19 solving and resolving state department concerns on a regional level if ap-  
20 propriate, securing and disseminating information and suggestions to such  
21 planning agencies; and encouraging and assisting in the organization and  
22 functioning of local planning agencies where none exist.

23 **“SECTION 319.** ORS 358.055 is amended to read:

24 “358.055. The [*Oregon Business Development Department*] **Oregon De-**  
25 **partment of Commerce and Trade** shall promote the Oregon Trail as a  
26 major tourist attraction in this state, consistent with maintaining the his-  
27 torical integrity of the Oregon Trail by:

28 “(1) Preparing and distributing maps, brochures and other promotional  
29 literature that publicize the historical, cultural and recreational opportu-  
30 nities available along the Oregon Trail.

1 “(2) Promoting the celebration of the 150th Anniversary of the Great  
2 Migration of 1843 on the Oregon Trail.

3 **“SECTION 320.** ORS 358.595 is amended to read:

4 “358.595. (1) The Oregon Heritage Commission is the primary agency for  
5 coordination of heritage activities and shall coordinate its activities with  
6 public and private organizations that express an interest in the heritage of  
7 Oregon.

8 “(2) The commission shall:

9 “(a) Prepare and adopt an Oregon Heritage Plan to coordinate the iden-  
10 tification, curation, restoration and interpretation of heritage resources.

11 “(b) Increase efficiency and avoid duplication among the various interest  
12 groups that seek to preserve heritage resources.

13 “(c) Pursuant to ORS 358.600, develop plans for coordination among  
14 agencies and organizations dedicated to preserving Oregon historical records.

15 “(d) Coordinate a comprehensive inventory of state-owned cultural prop-  
16 erties and make the inventory available to the public.

17 “(e) In conjunction with the [*Oregon Business Development Department*]  
18 **Oregon Department of Commerce and Trade** encourage tourism activities  
19 relating to heritage resources.

20 “(f) Coordinate statewide anniversary commemorations.

21 “(g) Coordinate statewide celebrations of Asian American Heritage  
22 Month.

23 **“SECTION 321.** ORS 359.020 is amended to read:

24 “359.020. (1) The Oregon Arts Commission is created as a policy-making  
25 and advisory body within the [*Oregon Business Development Department*]  
26 **Oregon Department of Commerce and Trade.** The commission shall  
27 consist of nine members appointed by the Governor. The term of a member  
28 is four years, and the member shall serve until a successor is appointed and  
29 qualifies.

30 “(2) Persons appointed members of the commission shall be citizens of

1 Oregon well qualified by experience to make policy and recommendations in  
2 areas of concern to the Arts Program of the [*Oregon Business Development*  
3 *Department*] **Oregon Department of Commerce and Trade** and otherwise  
4 to perform the duties of the office.

5 “(3) In case of a vacancy on the commission for any cause, the Governor  
6 shall appoint a successor to serve for the unexpired term.

7 “(4) A member of the commission may be appointed to serve two consec-  
8 utive terms. A member who serves two consecutive terms shall not be eligible  
9 for reappointment within one year following the expiration of the second  
10 term.

11 “(5) A member of the commission is entitled to compensation and expenses  
12 as provided in ORS 292.495.

13 “(6) The commission shall select one of its members to chair the com-  
14 mission for such term and with duties and powers necessary to perform the  
15 functions of the office as the commission determines.

16 “(7) A majority of the members of the commission constitutes a quorum  
17 for the transaction of business.

18 “**SECTION 322.** ORS 359.025 is amended to read:

19 “359.025. (1) The Oregon Arts Commission shall perform the following  
20 duties:

21 “(a) Serve as a body to advise governmental bodies and agencies and pri-  
22 vate persons on the development and implementation of state policies and  
23 programs relating to the arts, heritage, historic preservation, humanities and  
24 culture, and to assist in the coordination of these activities.

25 “(b) Advise the Governor, the Director of the [*Oregon Business Develop-*  
26 *ment Department*] **Oregon Department of Commerce and Trade** and the  
27 [*Oregon Business Development Commission*] **Oregon Commerce and Trade**  
28 **Commission** on all matters relating to the arts that pertain to the powers,  
29 duties and functions of the Arts Program of the [*Oregon Business Develop-*  
30 *ment Department*] **Oregon Department of Commerce and Trade**.

1 “(c) Develop a recommended biennial budget for the operation of the Arts  
2 Program that will be submitted to the director and the Governor.

3 “(d) Seek and receive the views of all levels of government and the private  
4 sector with respect to state programs and policies for the promotion and as-  
5 sistance of the arts.

6 “(e) Prepare and submit suggested administrative rules to the director  
7 that the Oregon Arts Commission determines are necessary for the operation  
8 of the programs of the Arts Program.

9 “(f) Establish policies and procedures for grant programs administered by  
10 the Arts Program, including policies and procedures that:

11 “(A) Ensure that the criteria used to determine eligibility for grant  
12 awards are designed to take into consideration the regional differences in  
13 public access to, or in opportunities for engagement in, arts and cultural  
14 development in this state; and

15 “(B) Promote investment in communities where opportunities for engage-  
16 ment in arts and cultural development are limited.

17 “(g) Suggest rules to the director for grant programs administered by the  
18 Arts Program, including rules that are consistent with the policies and pro-  
19 cedures established by the commission under this section.

20 “(2)(a) In addition to the duties imposed by subsection (1) of this section,  
21 the Oregon Arts Commission shall establish policies and provide manage-  
22 ment and operational staff support for the Trust for Cultural Development  
23 Board.

24 “(b) Notwithstanding paragraph (a) of this subsection, the Trust for Cul-  
25 tural Development Board shall make any decisions relating to the investment  
26 and disbursement of moneys in the Trust for Cultural Development Account.

27 “**SECTION 323.** ORS 359.030 is amended to read:

28 “359.030. The objectives of the Arts Program of the [*Oregon Business De-*  
29 *velopment Department*] **Oregon Department of Commerce and Trade** are:

30 “(1) To complement, assist and strengthen existing or planned programs

1 and activities of public and private associations in the arts to promote the  
2 broadest statewide public benefit, while maintaining high artistic and schol-  
3 arly standards.

4 “(2) To encourage and give greater opportunities and recognition to indi-  
5 vidual Oregon artists whose work is, or gives promise of being, of high  
6 quality.

7 “(3) To stimulate and encourage private and local initiative and financial  
8 support in connection with programs and activities in the arts.

9 **“SECTION 324.** ORS 359.040 is amended to read:

10 “359.040. To carry out its objectives the Arts Program of the [*Oregon*  
11 *Business Development Department*] **Oregon Department of Commerce and**  
12 **Trade** shall:

13 “(1) Develop programs and plans:

14 “(a) To encourage broad public participation in, and understanding of,  
15 programs in the arts.

16 “(b) To encourage public interest in conserving and understanding the  
17 cultural and artistic heritage of the state and of its people.

18 “(c) To encourage increased recognition of the contributions of the arts  
19 to the richness of community life and to the development of the individual.

20 “(d) To assist communities within the state in establishing or conserving  
21 local cultural, historical and artistic programs.

22 “(e) To stimulate and encourage throughout the state the presentation,  
23 enjoyment and study of the arts among the youth and elderly people.

24 “(f) To encourage and facilitate, where feasible, wider circulation  
25 throughout the state of noteworthy programs, productions, exhibitions and  
26 performances which demonstrate the artistic and cultural resources and ac-  
27 complishments of the people of Oregon.

28 “(g) To encourage and facilitate, where feasible, programs, productions,  
29 exhibitions and performances in Oregon of outstanding works of art and ar-  
30 tistic talent in the fields of the arts, which may be brought from outside the

1 state.

2 “(2) Develop, maintain and make available to the public, information  
3 concerning:

4 “(a) The cultural and artistic resources and activities within the state.

5 “(b) The organizations and groups conducting, supporting or fostering  
6 programs and activities involving the employment, conservation and presen-  
7 tation of such resources.

8 “(3) Advise and assist upon request and within the limits of the funds  
9 available:

10 “(a) The Governor and other state officers, public agencies, the legisla-  
11 ture, communities of the state and the public concerning the development,  
12 housing, presentation and conservation of the artistic and cultural resources  
13 within the state.

14 “(b) State agencies concerning the acceptance and disposition of gifts of  
15 art to the state.

16 “(4) Develop an honors program in the arts, which includes the means for  
17 recognizing distinguished artists and other Oregon citizens whose creative  
18 works or effort or whose services of philanthropy on behalf of the arts are  
19 such as to merit the official appreciation of the people of Oregon.

20 “(5) Manage the Trust for Cultural Development Account established by  
21 ORS 359.405.

22 “**SECTION 325.** ORS 359.050 is amended to read:

23 “359.050. (1) In performing its duties, the Arts Program of the [*Oregon*  
24 *Business Development Department*] **Oregon Department of Commerce and**  
25 **Trade**, within the limits of available funds, may:

26 “(a) Conduct hearings and conferences to develop facts, to explain pro-  
27 grams and activities, and to obtain advice.

28 “(b) Enter into agreements with other public agencies and with associ-  
29 ations and individuals for services that will assist the Oregon Arts Com-  
30 mission or the Trust for Cultural Development Board.



1 “(c) Enter into agreements with other public agencies of Oregon or with  
2 agencies of other states or the federal government, and with private corpo-  
3 rations, associations and individuals in Oregon or other states for cooper-  
4 ative endeavors which further the objectives and programs of the  
5 commission.

6 “(d) Make grants to local agencies, to associations or to individuals for  
7 the development and conservation of programs in the arts, such grants to be  
8 made in accordance with policies and procedures adopted by the commission  
9 under ORS 359.025.

10 “(2) In carrying out the purposes of ORS 359.010 to 359.142, the Arts  
11 Program, in addition to the other powers granted:

12 “(a) Shall as needed appoint committees, consultants, artists and other  
13 persons expert in subjects of concern to the program to advise and assist the  
14 commission.

15 “(b) May obtain from any state agency necessary assistance and data.

16 “(c) May perform other acts necessary to carry out its duties.

17 **“SECTION 326.** ORS 359.065 is amended to read:

18 “359.065. (1) The Arts Program is established as an administrative section  
19 within the [*Oregon Business Development Department*] **Oregon Department**  
20 **of Commerce and Trade**. The program is subject to the supervision of the  
21 Administrator of the Arts Program. The program shall consist of the ad-  
22 ministrator and all personnel employed in the program.

23 “(2) The program shall provide the Oregon Arts Commission with staff  
24 and other assistance as necessary for the commission to perform its duties.

25 **“SECTION 327.** ORS 359.100 is amended to read:

26 “359.100. (1) The Arts Program of the [*Oregon Business Development De-*  
27 *partment*] **Oregon Department of Commerce and Trade** shall prepare and  
28 study plans for participation of public agencies and associations in federal  
29 government programs for the support and encouragement of the arts.

30 “(2) The program may apply for and accept grants or services from the

1 federal government or any of its agencies, from associations, individuals and  
2 private corporations to carry out the purposes of ORS 359.010 to 359.142.

3 “(3) Grants or services from individuals, associations or private corpo-  
4 rations shall not be accepted if restricted to a use which would be contrary  
5 to the laws of this state.

6 **“SECTION 328.** ORS 359.110 is amended to read:

7 “359.110. (1) The Arts Program of the [*Oregon Business Development De-*  
8 *partment*] **Oregon Department of Commerce and Trade** may solicit and  
9 accept gifts, bequests or devises of money, securities or other property of  
10 whatever character to carry out the purposes of ORS 359.010 to 359.142. A  
11 restricted gift, bequest or devise shall not be accepted if such restriction  
12 would be contrary to the laws of this state.

13 “(2) The program shall be the custodian of any securities or other prop-  
14 erty accepted as a gift, bequest or devise. The program shall hold such  
15 property as trustee for the state and shall conserve and administer such  
16 property to carry out the purposes of ORS 359.010 to 359.142. Except as pro-  
17 hibited by law or restricted by the terms of the gift, bequest or devise, the  
18 program may sell or exchange any property accepted as a gift, bequest or  
19 devise as it may from time to time determine. The income from such money,  
20 securities or other property shall be credited to the Arts Trust Account es-  
21 tablished by ORS 359.120.

22 **“SECTION 329.** ORS 359.120 is amended to read:

23 “359.120. There hereby is established an account separate and distinct  
24 from the General Fund to be known as the Arts Trust Account. Except for  
25 moneys received for the purposes of the Trust for Cultural Development Ac-  
26 count, all moneys received by the Arts Program of the [*Oregon Business*  
27 *Development Department*] **Oregon Department of Commerce and Trade**  
28 pursuant to ORS 359.100 and 359.110 shall be paid into the State Treasury  
29 and credited to the Arts Trust Account. All moneys in the Arts Trust Ac-  
30 count are continuously appropriated to the [*Oregon Business Development*

1 *Department]* **Oregon Department of Commerce and Trade** and shall be  
2 used by the program in carrying out the purposes for which the funds were  
3 received.

4 **“SECTION 330.** ORS 359.130 is amended to read:

5 “359.130. (1) The Arts Program of the [*Oregon Business Development De-*  
6 *partment]* **Oregon Department of Commerce and Trade** shall not direct,  
7 supervise or control the policy, programs, personnel, curriculum or adminis-  
8 tration of any public or private agency, school, association or entity having  
9 to do with the arts.

10 “(2) Nothing in ORS 359.010 to 359.142 is intended to transfer from any  
11 other state agency to the program any duty or power granted by statute to  
12 such other state agency prior to July 1, 1967.

13 **“SECTION 331.** ORS 359.135 is amended to read:

14 “359.135. (1) The Director of the [*Oregon Business Development Depart-*  
15 *ment]* **Oregon Department of Commerce and Trade**, upon consultation  
16 with and the approval of the Oregon Arts Commission, shall appoint the  
17 Administrator of the Arts Program who shall serve at the pleasure of the  
18 director.

19 “(2) The administrator shall receive such salary as may be provided by  
20 law or as fixed by the director.

21 “(3) The administrator shall be the administrative head of the program.

22 “(4) The administrator may suggest rules to the director for the govern-  
23 ment of the program, the conduct of its employees and the assignment and  
24 performance of its business and the custody, use and preservation of its re-  
25 cords, papers and property.

26 **“SECTION 332.** ORS 359.137 is amended to read:

27 “359.137. The Arts Program of the [*Oregon Business Development Depart-*  
28 *ment]* **Oregon Department of Commerce and Trade** shall employ, in ac-  
29 cordance with the State Personnel Relations Law, the staff necessary to  
30 allow the program to carry out the provisions of ORS 359.010 to 359.142.

1        **SECTION 333.** ORS 359.142 is amended to read:

2        “359.142. The Director of the [*Oregon Business Development Department*]  
3        **Oregon Department of Commerce and Trade**, in accordance with ORS  
4        chapter 183, may adopt such rules for the operation of the Arts Program as  
5        the director determines necessary or convenient for the program to perform  
6        its duties and functions.

7        **SECTION 334.** ORS 359.405 is amended to read:

8        “359.405. (1) The Trust for Cultural Development Account is established  
9        in the State Treasury, separate and distinct from the General Fund. Invest-  
10       ment earnings, interest and other income earned by the Trust for Cultural  
11       Development Account shall be credited to the account. The primary purpose  
12       of the account is to serve as a repository for both public and private moneys  
13       designated to fund specific arts, heritage and humanities programs.

14       “(2) All moneys in the Trust for Cultural Development Account are ap-  
15       propriated continuously to the [*Oregon Business Development Department*]  
16       **Oregon Department of Commerce and Trade** for the Arts Program for the  
17       purposes of ORS 359.400 to 359.444.

18       **SECTION 335.** ORS 366.553 is amended to read:

19       “366.553. (1) There is created in the Department of Transportation an ad-  
20       visory committee to advise the Director of Transportation and the Oregon  
21       Transportation Commission on policy matters pertaining to the preservation  
22       and restoration of the Historic Columbia River Highway. The committee  
23       shall consist of 10 members, including the State Parks and Recreation Di-  
24       rector, State Historic Preservation Officer, Director of the [*Oregon Business*  
25       *Development Department*] **Oregon Department of Commerce and Trade**  
26       or their delegates, one member appointed by the Director of Transportation  
27       and six citizen members, two residents each from Wasco, Hood River and  
28       Multnomah Counties. The Governor shall appoint one member from each of  
29       the three counties and each county commission shall appoint one member  
30       respectively. Citizen members shall have knowledge or specific interest in

1 historic or scenic preservation, engineering design, recreation or related  
2 disciplines.

3 “(2) The citizen members shall be appointed to terms of four years, com-  
4 mencing on July 1 of the year of appointment. Members of the advisory  
5 committee shall be entitled to expenses as provided by ORS 292.495 (2).

6 “(3) The committee shall review the department’s preparation of the his-  
7 toric road program and its ongoing management and submit recommen-  
8 dations to the Director of Transportation.

9 “(4) The committee shall review proposed highway-related activities and  
10 other public actions, except for routine highway maintenance, which may  
11 affect the historic integrity, continuity, scenic values, public access and  
12 public recreational opportunities within the Columbia River Highway His-  
13 toric District and submit recommendations to the director. The committee  
14 may appoint subcommittees composed of qualified members or other technical  
15 specialists, as required, to review plans, construction or other subjects as  
16 designated by the committee. The director shall provide notice to the com-  
17 mittee of proposed activities, actions or projects at the earliest possible op-  
18 portunity.

19 “(5) The committee may recommend to the director that a public hearing  
20 with appropriate public notification be held for proposed activities, actions  
21 or projects which significantly affect the Historic Columbia River Highway.

22 “(6) The committee shall meet regularly a minimum of four times a year  
23 at times and places fixed by the chairperson of the committee. The depart-  
24 ment shall provide personnel services to assist the committee within the  
25 limits of available funds. The committee shall adopt rules to govern its pro-  
26 ceedings and may select officers it considers necessary.

27 **“SECTION 336.** ORS 367.084 is amended to read:

28 “367.084. (1) The Oregon Transportation Commission shall select trans-  
29 portation projects to be funded with moneys in the Connect Oregon Fund  
30 established under ORS 367.080.

1 “(2)(a) Prior to selecting transportation projects, the commission shall  
2 seek input from the applicable area commission on transportation.

3 “(b) Prior to selecting aeronautic and airport transportation projects, the  
4 commission shall solicit recommendations from the State Aviation Board.

5 “(c) Prior to selecting freight transportation projects, the commission  
6 shall solicit recommendations from the Freight Advisory Committee.

7 “(d) Prior to selecting rail projects, the commission shall solicit recom-  
8 mendations from the rail advisory committee.

9 “(e) Prior to selecting marine projects, the commission shall solicit rec-  
10 ommendations from the [*Oregon Business Development Department*] **Oregon**  
11 **Department of Commerce and Trade.**

12 “(3) In selecting transportation projects, the commission shall consider:

13 “(a) Whether a proposed transportation project reduces transportation  
14 costs for Oregon businesses or improves access to jobs and sources of labor;

15 “(b) Whether a proposed transportation project results in an economic  
16 benefit to this state;

17 “(c) Whether a proposed transportation project is a critical link connect-  
18 ing elements of Oregon’s transportation system that will measurably improve  
19 utilization and efficiency of the system;

20 “(d) How much of the cost of a proposed transportation project can be  
21 borne by the applicant for the grant from any source other than the Connect  
22 Oregon Fund;

23 “(e) Whether a proposed transportation project is ready for construction;

24 “(f) Whether a proposed transportation project has a useful life expect-  
25 ancy that offers maximum benefit to the state; and

26 “(g) Whether a proposed transportation project is located near operations  
27 conducted for mining aggregate or processing aggregate as described in ORS  
28 215.213 (2)(d) or 215.283 (2)(b).

29 “(4) To promote fairness in the selection process, the Director of Trans-  
30 portation may not choose a member of a final review committee:

1 “(a) Who represents an entity that submitted an application for a Connect  
2 Oregon Fund grant that is being considered for funding by a final review  
3 committee; or

4 “(b) Has a direct financial interest in an application that is being con-  
5 sidered for funding by a final review committee.

6 **“SECTION 337.** ORS 390.241 is amended to read:

7 “390.241. (1) The Office of Outdoor Recreation is established as an ad-  
8 ministrative section within the State Parks and Recreation Department,  
9 subject to the supervision of the Associate Director of Outdoor Recreation  
10 and the policies and procedures established by, and recommendations of, the  
11 State Parks and Recreation Director and the State Parks and Recreation  
12 Commission.

13 “(2) The office shall consist of the associate director and all personnel  
14 employed in the office.

15 “(3) Subject to subsection (1) of this section, the office shall, in  
16 furtherance of the state policy declared in ORS 390.010:

17 “(a) Coordinate outdoor recreation policy:

18 “(A) Within the administrative divisions of the department; and

19 “(B) Between the department and federal, state, regional and local gov-  
20 ernment entities and nongovernmental entities.

21 “(b) Assist in developing or updating the outdoor recreation management  
22 strategies of the department.

23 “(c) Collaborate with the Oregon Tourism Commission and the Travel  
24 Information Council to create effective forums for communicating  
25 recreation-based initiatives and for sharing best practices.

26 “(d) Serve as a clearinghouse and information center for outdoor recre-  
27 ation stakeholders.

28 “(e) Develop data, independently or through contracts with appropriate  
29 public or private agencies, on the social, economic and resource impacts of  
30 outdoor recreation in this state.

1 “(f) Promote the health and social benefits of outdoor recreation in coor-  
2 dination with other related state programs and initiatives.

3 “(g) Report on the office’s activities to the State Parks and Recreation  
4 Commission four times per year or as otherwise directed by the commission.

5 “(4) The office shall coordinate and collaborate with the Outdoor Recre-  
6 ation Advisory Committee established under ORS 390.243, the [*Oregon Busi-*  
7 *ness Development Department*] **Oregon Department of Commerce and**  
8 **Trade**, representatives of regional and local governments, the outdoor re-  
9 creation industry and other outdoor recreation stakeholders to promote eco-  
10 nomic development in this state. In furtherance of promoting economic  
11 development, the office may recommend, adopt or assist in the implementa-  
12 tion of policies and initiatives that:

13 “(a) Encourage development of the outdoor recreation industry in a man-  
14 ner that improves recreational opportunities in this state.

15 “(b) Maximize public and private investment in the outdoor recreation  
16 industry and in outdoor recreation activities in this state.

17 “(c) Enhance quality of life and economic vibrancy in communities across  
18 the state.

19 “(d) Strike a sensitive balance between development and preservation of  
20 the unique natural experience provided by Oregon’s outdoor recreation re-  
21 sources, and between motorized and nonmotorized outdoor recreation activ-  
22 ities.

23 “(e) Take a proactive approach to enhancing regional and local outdoor  
24 recreation infrastructure.

25 “(5) The office shall submit to the appropriate committee or committees  
26 of the Legislative Assembly, at least once every five years, a report that in-  
27 cludes an inventory and gap analysis of outdoor recreation infrastructure in  
28 this state and a description of the impacts of outdoor recreation in this state.  
29 The report required under this section may include:

30 “(a) Other information about the office’s activities; or



1 “(b) Recommendations, which may include recommendations for legis-  
2 lation, on policies and initiatives that may be adopted by the legislature, the  
3 State Parks and Recreation Department or other state agencies to enhance  
4 the experiences of persons engaging in outdoor recreation in this state.

5 **“SECTION 338.** ORS 390.262 is amended to read:

6 “390.262. (1) As used in this section and ORS 390.264:

7 “(a) ‘Area median income’ means the median income for the metropolitan  
8 statistical area in which the proposed grant project is located, as determined  
9 by the Housing and Community Services Department, adjusted for household  
10 size.

11 “(b) ‘Oregon Main Street Network’ means the entity administered by the  
12 State Historic Preservation Officer designated under ORS 358.565 to provide  
13 assistance, training and technical services to communities in Oregon desiring  
14 to strengthen, preserve and revitalize their historic downtown commercial  
15 districts.

16 “(c) ‘Rural area’ means an area located entirely outside the acknowledged  
17 Portland Metropolitan Area Regional Urban Growth Boundary and the ac-  
18 knowledged urban growth boundaries of cities with populations of 30,000 or  
19 more.

20 “(2) There is established in the State Parks and Recreation Department  
21 the Oregon Main Street Revitalization Grant Program for the purpose of  
22 providing grants on an annual, competitive basis from the Oregon Main  
23 Street Revitalization Grant Program Fund established under ORS 390.264 to  
24 be used for the following purposes:

25 “(a) To acquire, rehabilitate and construct buildings on properties in  
26 designated downtown areas statewide; and

27 “(b) To facilitate community revitalization that will lead to private in-  
28 vestment, job creation or retention, establishing or expanding viable busi-  
29 nesses or creating a stronger tax base.

30 “(3)(a) For the purpose of making grants under the program, the depart-

1 ment shall adopt a formula that:

2 “(A) Provides for grant funds to be made available statewide while con-  
3 centrating funds and resources in those areas of the state with the greatest  
4 need for main street revitalization and economic development; and

5 “(B) Provides that a minimum of 50 percent of available grant funds will  
6 be reserved for projects in rural areas.

7 “(b) In awarding grants under the program, the department shall give  
8 priority to grant proposals for projects that are located in traditionally  
9 underserved communities, including rural areas and communities that dem-  
10 onstrate significant financial barriers to efforts to redevelop or rehabilitate  
11 downtown areas.

12 “(4) The department shall develop criteria to determine the eligibility of  
13 grant applicants and proposed projects. The criteria must require that ap-  
14 plicants be organizations that participate in the Oregon Main Street Net-  
15 work and demonstrate the past or prospective capacity to work with project  
16 leaders in designated local communities or downtown areas.

17 “(5) Project proposals submitted by grant applicants may include evidence  
18 of demonstrated need for main street revitalization and economic develop-  
19 ment by providing information about the economic character of the project,  
20 including but not limited to:

21 “(a) The proportion of households at or below the federal poverty rate in  
22 the targeted project location and the surrounding community;

23 “(b) The area median income in the proposed project location and sur-  
24 rounding community;

25 “(c) The percentage of renters in the proposed project location and sur-  
26 rounding community; and

27 “(d) The percentage of persons in the proposed project location and sur-  
28 rounding community with weekly wages that are less than or equal to the  
29 most recent federal poverty guidelines for a family of three that are appli-  
30 cable to Oregon residents and that are published annually in the Federal

1 Register by the United States Department of Health and Human Services.

2 “(6) The State Parks and Recreation Department shall:

3 “(a) Provide technical assistance and project overview and monitoring for  
4 successful grant recipients; and

5 “(b) Provide regular updates to other state agencies, including but not  
6 limited to the [*Oregon Business Development Department*] **Oregon Depart-**  
7 **ment of Commerce and Trade** and the Department of Transportation, that  
8 have an interest in the implementation and administration of the program.

9 “(7) Each grant awarded under this section shall require, as a condition  
10 of receiving funding, matching funds in an amount to be determined by the  
11 State Parks and Recreation Department.

12 “(8) All amounts awarded as grants must be used by recipients, for the  
13 approved purposes set forth in successful grant applications, within three  
14 years of receipt of the funds. Any funds not expended within that time pe-  
15 riod must be returned to the department for deposit in the Oregon Main  
16 Street Revitalization Grant Program Fund.

17 “(9) The department shall adopt rules to implement the program and the  
18 provisions of this section. The department may consult with the [*Oregon*  
19 *Business Development Department*] **Oregon Department of Commerce and**  
20 **Trade** and the Department of Transportation in adopting the rules.

21 “**SECTION 339.** ORS 401.054 is amended to read:

22 “401.054. (1) Each of the following agencies, entities and officials shall  
23 designate an individual to act as a liaison with the Oregon Department of  
24 Emergency Management:

25 “(a) The Department of Consumer and Business Services;

26 “(b) The Department of Corrections;

27 “(c) The Department of Education;

28 “(d) The Department of Environmental Quality;

29 “(e) The Department of Human Services;

30 “(f) The Department of Justice;

1 “(g) The Department of Land Conservation and Development;  
2 “(h) The Department of Public Safety Standards and Training;  
3 “(i) The Department of State Lands;  
4 “(j) The Department of State Police;  
5 “(k) The Department of Transportation;  
6 “(L) The Department of Veterans’ Affairs;  
7 “(m) The Employment Department;  
8 “(n) The Housing and Community Services Department;  
9 “(o) The Judicial Department;  
10 “(p) The [*Oregon Business Development Department*] **Oregon Department**  
11 **of Commerce and Trade**;  
12 “(q) The Oregon Department of Administrative Services;  
13 “(r) The Oregon Department of Aviation;  
14 “(s) The Oregon Health Authority;  
15 “(t) The Oregon Military Department;  
16 “(u) The Oregon Tourism Commission;  
17 “(v) The Public Utility Commission of Oregon;  
18 “(w) The Secretary of State;  
19 “(x) The State Department of Agriculture;  
20 “(y) The State Department of Energy;  
21 “(z) The State Department of Fish and Wildlife;  
22 “(aa) The State Department of Geology and Mineral Industries;  
23 “(bb) The State Fire Marshal;  
24 “(cc) The State Forestry Department;  
25 “(dd) The State Marine Board;  
26 “(ee) The State Parks and Recreation Department;  
27 “(ff) The Travel Information Council; and  
28 “(gg) The Water Resources Department.  
29 “(2) Each agency, entity and official required to designate a liaison under  
30 this section shall designate an individual who has authority during an

1 emergency to allocate resources and assets of the agency, entity or official.

2 “(3) Each individual designated as a liaison under subsection (1) of this  
3 section shall assist in the coordination of the functions of the agency, entity  
4 or official that designated the individual that relate to emergency  
5 preparedness and response with similar functions of the Oregon Department  
6 of Emergency Management.

7 **“SECTION 340.** ORS 401.910 is amended to read:

8 “401.910. (1) The [*Oregon Business Development Department*] **Oregon De-**  
9 **partment of Commerce and Trade** shall develop a grant program for the  
10 disbursement of funds for the seismic rehabilitation of critical public  
11 buildings, including hospital buildings with acute inpatient care facilities,  
12 fire stations, police stations, sheriffs’ offices, other facilities used by state,  
13 county, district or municipal law enforcement agencies and buildings with  
14 a capacity of 250 or more persons that are routinely used for student activ-  
15 ities by kindergarten through grade 12 public schools, community colleges,  
16 education service districts and institutions of higher education, including but  
17 not limited to public universities listed in ORS 352.002. The Oregon  
18 Infrastructure Finance Authority established in the department by ORS  
19 285A.096 shall administer the grant program developed under this section.  
20 The funds for the seismic rehabilitation of critical public buildings under the  
21 grant program are to be provided from the issuance of bonds pursuant to the  
22 authority provided in Articles XI-M and XI-N of the Oregon Constitution.

23 “(2) The grant program shall include the appointment of a grant commit-  
24 tee. The grant committee may be composed of any number of persons with  
25 qualifications that the authority determines necessary. However, the au-  
26 thority shall include persons with experience in administering state grant  
27 programs and representatives of entities with responsibility over critical  
28 public buildings. The authority shall also include as permanent members  
29 representatives of:

30 “(a) The Oregon Department of Emergency Management;

- 1 “(b) The State Department of Geology and Mineral Industries;  
2 “(c) The Seismic Safety Policy Advisory Commission;  
3 “(d) The Oregon Department of Administrative Services;  
4 “(e) The Department of Education;  
5 “(f) The Oregon Health Authority;  
6 “(g) The Oregon Fire Chiefs Association;  
7 “(h) The Oregon Association Chiefs of Police;  
8 “(i) The Oregon Association of Hospitals and Health Systems; and  
9 “(j) The Confederation of Oregon School Administrators.

10 “(3) The authority shall determine the form and method of applying for  
11 grants from the grant program, the eligibility requirements for grant appli-  
12 cants, and general terms and conditions of the grants. The authority shall  
13 also provide that the grant committee review grant applications and make  
14 a determination of funding based on a scoring system that is directly related  
15 to the statewide needs assessment performed by the State Department of  
16 Geology and Mineral Industries. Additionally, the grant process may:

17 “(a) Require that the grant applicant provide matching funds for com-  
18 pletion of any seismic rehabilitation project.

19 “(b) Provide authority to the grant committee to waive requirements of  
20 the grant program based on special circumstances such as proximity to fault  
21 hazards, community value of the structure, emergency functions provided by  
22 the structure and storage of hazardous materials.

23 “(c) Allow an applicant to appeal any determination of grant funding to  
24 the authority for reevaluation.

25 “(d) Provide that applicants release the state, the authority and the grant  
26 committee from any claims of liability for providing funding for seismic re-  
27 habilitation.

28 “(e) Provide separate rules for funding rehabilitation of structural and  
29 nonstructural building elements.

30 “(4) Subject to the grant rules established by the authority and subject

1 to reevaluation by the authority, the grant committee has the responsibility  
2 to review and make determinations on grant applications under the grant  
3 program established pursuant to this section.

4 **“SECTION 341.** ORS 431.120 is amended to read:

5 “431.120. In addition to the duties described in ORS 431.115, the Oregon  
6 Health Authority shall:

7 “(1) Enforce the laws, rules and policies of this state related to health.

8 “(2) Routinely conduct epidemiological investigations for each case of  
9 sudden infant death syndrome, including the identification of risk factors  
10 such as birth weight, maternal age, prenatal care, history of apnea and  
11 socioeconomic characteristics. The authority may conduct the investigations  
12 through local health departments only upon adoption by rule of a uniform  
13 epidemiological data collection method.

14 “(3) Adopt rules related to loans and grants awarded under ORS 285B.560  
15 to 285B.599 or 541.700 to 541.855 for the improvement of drinking water sys-  
16 tems for the purpose of maintaining compliance with applicable state and  
17 federal drinking water quality standards. In adopting rules under this sub-  
18 section, the authority shall coordinate the authority’s rulemaking process  
19 with the Water Resources Department and the [*Oregon Business Development*  
20 *Department*] **Oregon Department of Commerce and Trade** to ensure that  
21 rules adopted under this subsection are consistent with rules adopted under  
22 ORS 285B.563 and 541.845.

23 “(4) Control health care capital expenditures by administering the state  
24 certificate of need program under ORS 442.325 to 442.344.

25 **“SECTION 342.** ORS 431A.280 is amended to read:

26 “431A.280. The Oregon Health Authority shall report to the interim com-  
27 mittees of the Legislative Assembly related to environment and natural re-  
28 sources and public health no later than September 15 of each odd-numbered  
29 year. The report shall include the following information:

30 “(1) Any revisions made under ORS 431A.255 to the list of high priority

1 chemicals of concern for children’s health used in children’s products.

2 “(2) The number of manufacturers of children’s products in compliance  
3 with ORS 431A.258 and an analysis of the information collected pursuant to  
4 ORS 431A.258 specifying:

5 “(a) The number and types of children’s products sold or offered for sale  
6 in this state that contain high priority chemicals of concern for children’s  
7 health used in children’s products.

8 “(b) The range of amounts of high priority chemicals of concern for  
9 children’s health used in children’s products, by product category, and the  
10 total number of and most frequently disclosed high priority chemicals of  
11 concern for children’s health used in children’s products.

12 “(c) The potential for exposure to high priority chemicals of concern for  
13 children’s health used in children’s products based on the number of  
14 children’s products sold or offered for sale in this state that contain chemi-  
15 cals on the list established under ORS 431A.255, likely exposure routes and  
16 the typical use patterns for the children’s products that contain chemicals  
17 on the list established under ORS 431A.255.

18 “(d) Recommendations to limit, reduce or prevent exposure to high prior-  
19 ity chemicals of concern for children’s health used in children’s products  
20 based on an analysis of the information collected.

21 “(3)(a) Details about the implementation of ORS 431A.263 and 431A.265  
22 regarding hazard assessments and waivers. In cases where the authority  
23 grants waivers for the continued use of high priority chemicals of concern  
24 for children’s health used in children’s products and the waiver application  
25 includes an alternatives assessment, the authority may develop recommen-  
26 dations on opportunities to provide technical assistance, provide grants and  
27 promote public-private partnerships and other actions to encourage man-  
28 ufacturers to produce children’s products through green chemistry and that  
29 do not contain high priority chemicals of concern for children’s health used  
30 in children’s products.



1 “(b) In developing the recommendations described in paragraph (a) of this  
2 subsection, the authority may consult with the Department of Environmental  
3 Quality, the [*Oregon Business Development Department*] **Oregon Depart-**  
4 **ment of Commerce and Trade** and other state agencies.

5 “(4) A summary of compliance testing results obtained under ORS  
6 431A.270.

7 “(5) Any recommendations submitted to the authority by manufacturers  
8 under ORS 431A.258 (7).

9 **“SECTION 343.** ORS 454.797 is amended to read:

10 “454.797. (1) If a county requests the Environmental Quality Commission  
11 to adopt rules under ORS 454.792 in order that the county may be allowed  
12 to perform the duties of the Department of Environmental Quality under  
13 ORS 454.782 to 454.800, the department may assess the county for the rea-  
14 sonable expenses of the department and the commission in carrying out the  
15 rulemaking proceeding.

16 “(2) The department shall recover the costs of the department and the  
17 commission in conducting the rulemaking proceeding in the following man-  
18 ner:

19 “(a) The county shall fully reimburse the department for the reasonable  
20 costs of the rulemaking process.

21 “(b) The department shall appropriately document the direct and indirect  
22 costs of the department and the commission and collect payment for such  
23 costs from the county. The department shall collect a deposit from the  
24 county, against which the department shall bill until the deposit is depleted.  
25 When the deposit is depleted, the department shall collect an additional de-  
26 posit. The county shall submit an initial deposit of the estimated expenses  
27 of the department and the commission in completing the rulemaking process  
28 before the commission begins the process. The department shall deliver to  
29 the county an accounting of all charges and the amount of the deposit re-  
30 maining at the closure of each month’s accounting records.

1 “(3) All moneys collected by the Department of Environmental Quality  
2 pursuant to this section shall be deposited into the General Fund of the State  
3 Treasury to an account of the Department of Environmental Quality. Such  
4 moneys are continuously appropriated to the Department of Environmental  
5 Quality for the payment of expenses of the Department of Environmental  
6 Quality and the Environmental Quality Commission in conducting the  
7 rulemaking proceeding under ORS 454.792.

8 “(4) A county may fund the assessment charged under subsections (1) and  
9 (2) of this section from any public or private financial resources available  
10 to the county, including but not limited to community development funds  
11 received from the [*Oregon Business Development Department*] **Oregon De-**  
12 **partment of Commerce and Trade.**

13 **“SECTION 344.** ORS 455.466 is amended to read:

14 “455.466. (1) As used in this section, ‘essential project’ means a:

15 “(a) State owned or operated development;

16 “(b) Development of industries in the traded sector as defined in ORS  
17 285A.010 for structures more than 100,000 square feet in size;

18 “(c) Project in an industrial site listed by the [*Oregon Business Develop-*  
19 *ment Department*] **Oregon Department of Commerce and Trade** as ready  
20 for development and for which the project construction totals more than  
21 100,000 square feet in size; or

22 “(d) Development designated by the Director of the [*Oregon Business De-*  
23 *velopment Department*] **Oregon Department of Commerce and Trade** as  
24 essential to the economic well-being of the state.

25 “(2) Notwithstanding any municipal building inspection program under  
26 ORS 455.148 or 455.150, an applicant for a building permit for an essential  
27 project or the municipality having jurisdiction over an essential project may  
28 request in writing that the Department of Consumer and Business Services  
29 administer and enforce the state building code for the project.

30 “(3) Upon receipt by the Department of Consumer and Business Services

1 of a written request under this section, the Director of the Department of  
2 Consumer and Business Services shall assemble a rapid approval assessment  
3 team consisting of such department employees and other persons as the di-  
4 rector considers appropriate. The purpose of the rapid approval assessment  
5 team shall be to provide assistance and advice to the director.

6 “(4) The Director of the Department of Consumer and Business Services,  
7 in consultation with the rapid approval assessment team, shall determine  
8 whether adequate resources are available to ensure that an essential project  
9 may proceed in a timely, consistent and flexible manner. In determining the  
10 availability of resources under this subsection, the director and the rapid  
11 approval assessment team shall give first consideration to the availability  
12 of municipal resources. If the director determines that municipal resources  
13 may be inadequate for the essential project, the director may consider  
14 whether state resources or a combination of municipal and state resources  
15 is available to ensure that the essential project may proceed in a timely,  
16 consistent and flexible manner. A determination by the director under this  
17 subsection is not appealable.

18 “(5) The Director of the Department of Consumer and Business Services  
19 may take all actions that the director considers reasonable and necessary to  
20 ensure that an essential project may proceed in a timely, consistent and  
21 flexible manner, including but not limited to:

22 “(a) Establishing policies, procedures and rules as necessary;

23 “(b) Working directly with local municipalities and other state agencies  
24 to resolve conflicts and disputes related to the state building code;

25 “(c) Encouraging cooperation between state and municipal building offi-  
26 cials and inspectors;

27 “(d) Developing agreements;

28 “(e) Developing site-specific dispute resolution and appeals related to  
29 state building code requirements;

30 “(f) Expediting, coordinating or providing building inspection program

1 plan review, permitting and inspection services;

2 “(g) Assisting a municipality or seeking assistance from a municipality;  
3 and

4 “(h) Establishing fees to cover the cost of provided services.

5 **“SECTION 345.** ORS 458.362 is amended to read:

6 “458.362. (1) The Director of the Housing and Community Services De-  
7 partment shall appoint an advisory committee on manufactured housing. The  
8 director has the discretion to determine the membership of the committee  
9 and the terms of committee members, but shall consider for membership  
10 representatives from the following groups:

11 “(a) State agencies such as the Housing and Community Services De-  
12 partment, the Department of Land Conservation and Development, the De-  
13 partment of Environmental Quality, the Department of Consumer and  
14 Business Services and the [*Oregon Business Development Department*]  
15 **Oregon Department of Commerce and Trade;**

16 “(b) The United States Department of Housing and Urban Development  
17 and the United States Department of Agriculture Rural Development;

18 “(c) Local governments and local government agencies;

19 “(d) Owners of manufactured dwelling parks that have an interest in  
20 providing affordable housing, or nonprofit corporations or cooperative cor-  
21 porations that own manufactured dwelling parks;

22 “(e) Representatives of organizations that have a particular focus on  
23 serving people of color and that provide financial counseling, education or  
24 the opportunity to purchase affordable housing to individuals and families;

25 “(f) Lenders or other persons that offer financing for manufactured  
26 dwelling parks or for purchasing manufactured dwellings; and

27 “(g) Manufactured dwelling park tenants or owners of manufactured  
28 dwellings.

29 “(2) The advisory committee shall:

30 “(a) Advise the Housing and Community Services Department and other

1 state agencies with respect to matters of interest and concern that are re-  
2 lated to manufactured housing, manufactured dwellings and manufactured  
3 dwelling parks;

4 “(b) Develop and promote strategies to maximize long-term preservation  
5 of manufactured dwelling parks as affordable housing;

6 “(c) Identify and propose solutions to overcome barriers that prevent de-  
7 velopment of manufactured dwelling parks;

8 “(d) Identify strategies to fund, preserve and improve infrastructure in  
9 manufactured dwelling parks;

10 “(e) Develop and propose fair and equitable sources of financing for pur-  
11 chasing manufactured dwellings;

12 “(f) Identify and promote strategies and services for assisting owners of  
13 manufactured dwellings to weatherize existing manufactured dwellings or  
14 replace deteriorating manufactured dwellings;

15 “(g) Develop, approve or promote courses to counsel home buyers with  
16 respect to purchasing manufactured dwellings in this state;

17 “(h) Identify and propose solutions to overcome barriers that prevent us-  
18 ing manufactured dwellings as accessory dwelling units;

19 “(i) Encourage the development of capacity for nonprofit corporations and  
20 residents of this state to acquire, own and maintain manufactured dwelling  
21 parks in fair market transactions;

22 “(j) Conduct annual evaluations of the committee’s efforts and the efforts  
23 of the Housing and Community Services Department and other state agencies  
24 in achieving the actions, priorities, goals and functions described in this  
25 subsection;

26 “(k) Encourage and promote home buyer and homeowner counseling and  
27 education; and

28 “(L) Meaningfully engage culturally specific and culturally responsive  
29 organizations and their constituents, including federally recognized Indian  
30 tribes located within this state.

1 “(3) In undertaking the duties described in subsection (2) of this section,  
2 the advisory committee shall take account of the capacity of the  
3 department’s staff and resources and the staff and resources of other state  
4 agencies.

5 “(4) The advisory committee shall compile and report the results of the  
6 committee’s evaluations under subsection (2)(j) of this section to the Oregon  
7 Housing Stability Council not later than March 30 of each year.

8 **“SECTION 346.** ORS 458.730 is amended to read:

9 “458.730. (1) The Housing and Community Services Department may use  
10 the moneys in the Community Development Incentive Project Fund in any  
11 manner permitted under ORS 458.735. However, the primary purpose of the  
12 fund is to finance developments identified by the Oregon Housing Stability  
13 Council if other state or private financing sources are inadequate or una-  
14 vailable. The department shall make the final determination as to whether  
15 financing sources are inadequate or unavailable.

16 “(2) In expending moneys from the fund, the department may use financ-  
17 ing mechanisms that include, but are not limited to:

18 “(a) Grants or loans for the development of multifamily or single-family  
19 affordable housing located near community centers or employment centers.

20 “(b) Grants or loans for the development of mixed-use real estate projects  
21 located in downtown or community center areas.

22 “(c) Grants or loans that result in the placement or retention of busi-  
23 nesses in downtown or community center areas.

24 “(d) Partial loan guarantees or other credit enhancement tools to private  
25 commercial lenders.

26 “(e) Grants or loans to finance infrastructure development that creates  
27 jobs or housing in communities identified by the [*Oregon Business Develop-*  
28 *ment Department*] **Oregon Department of Commerce and Trade** as rural  
29 or distressed.

30 “(f) Interim ownership by the Housing and Community Services Depart-

1 ment of real estate located within downtown or community center areas.

2 “(g) Other financial tools or incentives that the council determines would  
3 further the intended purposes of the fund.

4 **“SECTION 347.** ORS 459A.020 is amended to read:

5 “459A.020. (1) The Environmental Quality Commission shall adopt a  
6 statewide integrated solid waste management plan. The plan shall include,  
7 but need not be limited to, the following components of solid waste man-  
8 agement:

9 “(a) Waste prevention;

10 “(b) Recycling;

11 “(c) Solid waste collection and processing;

12 “(d) Composting and energy recovery;

13 “(e) Incineration;

14 “(f) Disposal;

15 “(g) Disposal capacity and facility siting; and

16 “(h) Transportation.

17 “(2) The commission shall develop the statewide integrated solid waste  
18 management plan in consultation with local government units, the [*Oregon*  
19 *Business Development Department*] **Oregon Department of Commerce and**  
20 **Trade** and other appropriate state and regional agencies, commissions and  
21 task forces. The plan must address integrated solid waste management for  
22 at least 10 years into the future. The Department of Environmental Quality  
23 shall review the plan every two years and submit the report to the commis-  
24 sion. The report must include:

25 “(a) The status of implementation of the provisions of ORS 459A.005 to  
26 459A.665, including:

27 “(A) The annual weight of material disposed of per capita, by watershed  
28 and statewide;

29 “(B) The annual recovery rate achieved by each watershed and statewide  
30 as calculated by:

1 “(i) Weight as provided for in ORS 459A.010;  
2 “(ii) Rate of energy savings as provided for in ORS 459A.012; and  
3 “(iii) Any other method adopted by the commission under ORS 459A.012;  
4 and

5 “(C) The amount of each type of material recovered annually statewide  
6 and, based on available information, the amount of each type of material  
7 recycled annually statewide;

8 “(b) Compliance with and implementation of the provisions of ORS  
9 459.015, 459.035, 459.055, 459.992 (1) and (2) and 459.995;

10 “(c) The status of the metropolitan service district’s waste reduction  
11 program as submitted to the commission under ORS 459.345 and its compli-  
12 ance with the criteria in ORS 459.350; and

13 “(d) Recommendations for improvements in waste prevention, reuse, re-  
14 cycling and composting programs.

15 “(3) The commission shall revise the plan at regular intervals in order to  
16 allow local government units to take advantage of the data and analysis in  
17 the state plan.

18 **“SECTION 348.** ORS 459A.130 is amended to read:

19 “459A.130. (1)(a) By September 30 of each year, the Department of Envi-  
20 ronmental Quality shall provide a rebate of the fees established under ORS  
21 459A.110 to the nine most economically distressed counties in this state.

22 “(b) The department shall annually identify the counties that will receive  
23 the rebate provided for under this section and, no later than January 31 of  
24 each year, provide notice to:

25 “(A) Each of the economically distressed counties identified by the de-  
26 partment that will receive the rebate calculated under subsection (2) of this  
27 section for the calendar year; and

28 “(B) Each of the counties that received a rebate during the previous cal-  
29 endar year.

30 “(2)(a) For the biennium beginning July 1, 2015, the amount of the rebate



1 provided to an economically distressed county under this section shall be no  
2 more than \$0.28 per:

3 “(A) Each ton of solid waste disposed that was generated within the eco-  
4 nomically distressed county during the previous calendar year; or

5 “(B) If the department calculates an adjustment under paragraph (c) of  
6 this subsection, each adjusted ton of solid waste disposed that was generated  
7 within the economically distressed county during the previous calendar year.

8 “(b) For the biennium beginning July 1, 2017, and each subsequent  
9 biennium, if the Environmental Quality Commission adjusts the fees estab-  
10 lished under ORS 459A.110 pursuant to ORS 459A.125 (2), the commission  
11 shall also proportionally adjust the amount of the per-ton rebate specified in  
12 paragraph (a) of this subsection.

13 “(c)(A) The department shall calculate the total tonnage of solid waste  
14 disposed that was generated in a calendar year within all of the economically  
15 distressed counties identified under subsection (1) of this section.

16 “(B) If the total for all economically distressed counties is greater than  
17 10 percent of all solid waste disposed of in this state during the same cal-  
18 endar year, the department may calculate an adjusted tonnage for each eco-  
19 nomically distressed county for purposes of calculating the rebate provided  
20 for under this section.

21 “(C) The adjusted tonnage for each economically distressed county shall  
22 be proportional to the actual tonnage generated and calculated such that the  
23 sum of the adjusted tonnage for all of the economically distressed counties  
24 is equal to 10 percent of all solid waste disposed of in this state during the  
25 calendar year.

26 “(3) If a city within an economically distressed county owns and operates  
27 a landfill, the department shall distribute the portion of the rebate for the  
28 economically distressed county that is calculated based on tons of solid  
29 waste disposed that was generated in the county and disposed of at the  
30 landfill owned by the city to the city instead of the county.

1 “(4) Moneys received by a city or county pursuant to the rebate program  
2 provided for under this section may be used only for:

3 “(a) Purposes authorized in ORS 459A.120;

4 “(b) The operation of solid waste disposal facilities; or

5 “(c) The reduction of disposal fees.

6 “(5)(a) The commission shall adopt rules to carry out the provisions of  
7 this section. Rules adopted under this subsection shall include:

8 “(A) A methodology for identifying the most economically distressed  
9 counties in this state; and

10 “(B) A process for providing rebates to the economically distressed coun-  
11 ties.

12 “(b) The methodology for identifying economically distressed counties  
13 adopted under this subsection may be based on a methodology adopted by the  
14 [*Oregon Business Development Department*] **Oregon Department of Com-**  
15 **merce and Trade** by rule under ORS 285A.020 and 285A.075.

16 “(6) As used in this section:

17 “(a) ‘Landfill’ has the meaning given that term in ORS 459.005; and

18 “(b) ‘Solid waste disposed’ has the meaning given that term in ORS  
19 459A.010 (3)(d).

20 “**SECTION 349.** ORS 461.740 is amended to read:

21 “461.740. (1) It is the policy of the State of Oregon that any firm receiving  
22 benefit from state lottery-funded programs should undertake a good faith ef-  
23 fort to hire and retain as employees low-income individuals who have re-  
24 ceived job training assistance from publicly funded job training providers.

25 “(2) The [*Oregon Business Development Department*] **Oregon Department**  
26 **of Commerce and Trade** may require any firm receiving benefit from state  
27 lottery-funded programs the department administers to enter into a first-  
28 source hiring agreement with publicly funded job training providers.

29 “(3) Publicly funded job training providers shall coordinate their services  
30 and establish an agreement outlining the process by which they will respond

1 to firms receiving benefit. This agreement shall be submitted to the depart-  
2 ment for its review and approval.

3 “(4) As used in this section:

4 “(a) ‘Firm receiving benefit’ means any business that benefits directly or  
5 substantially from any program financed by state lottery funds and is certi-  
6 fied as such a firm by the state agency that administers the lottery-funded  
7 program.

8 “(b) ‘First-source hiring agreement’ means an agreement between a firm  
9 receiving benefits and a publicly funded job training provider whereby the  
10 job provider refers qualified candidates to the firm for new jobs and job  
11 openings, excluding professional, managerial, technical and seasonal posi-  
12 tions which the Director of the [*Oregon Business Development Department*]  
13 **Oregon Department of Commerce and Trade** determines cannot be filled  
14 by persons likely to be referred by publicly funded job training providers.

15 “(c) ‘Publicly funded job training provider’ includes, but is not limited to,  
16 community colleges, service providers under the federal Workforce Inno-  
17 vation and Opportunity Act and other similar programs.

18 **“SECTION 350.** ORS 468.173 is amended to read:

19 “468.173. For purposes of ORS 315.304, the applicable percentage of the  
20 certified cost of a facility shall be one of the following:

21 “(1) If the facility is certified under ORS 468.155 to 468.190 (1999 Edition)  
22 or if construction or installation of the facility is commenced prior to Jan-  
23 uary 1, 2001, and completed prior to January 1, 2004, 50 percent.

24 “(2) Except as provided in subsection (1) or (3) of this section, if the fa-  
25 cility is certified pursuant to application for certification filed on or after  
26 January 1, 2002, and:

27 “(a) Construction or installation of the facility is commenced on or after  
28 January 1, 2001, and on or before December 31, 2003, 25 percent; or

29 “(b) Construction or installation of the facility is commenced after De-  
30 cember 31, 2003, and on or before December 31, 2005, 15 percent.

1 “(3) If certified pursuant to application for certification filed on or after  
2 January 1, 2002, 35 percent if:

3 “(a) The applicant is certified under International Organization for  
4 Standardization standard ISO 14001;

5 “(b) A Green Permit that applies to the facility has been issued under  
6 ORS 468.501 to 468.521;

7 “(c) The facility is a nonpoint source or is regulated as a confined animal  
8 feeding operation under ORS 468B.200 to 468B.230;

9 “(d) The facility is used for material recovery or recycling, as those terms  
10 are defined in ORS 459.005;

11 “(e) The facility is used in an agricultural or forest products operation  
12 and is used for energy recovery, as defined in ORS 459.005;

13 “(f) The certified cost of the facility does not exceed \$200,000;

14 “(g) Construction or installation of the facility is entirely voluntary and  
15 no portion of it is required in order to comply with a federal law adminis-  
16 tered by the United States Environmental Protection Agency, a state law  
17 administered by the Department of Environmental Quality or a law admin-  
18 istered by a regional air pollution authority;

19 “(h) The facility is, at the time of certification, located within an enter-  
20 prise zone established under ORS 285C.050 to 285C.250 or within an area that  
21 has been designated a distressed area, as defined in ORS 285A.010, by the  
22 [*Oregon Business Development Department*] **Oregon Department of Com-**  
23 **merce and Trade**; or

24 “(i) The applicant demonstrates to the Department of Environmental  
25 Quality that the applicant uses an environmental management system at the  
26 facility. In order for the department to determine that the applicant uses an  
27 environmental management system at the facility:

28 “(A) The applicant must have the environmental management system used  
29 at the facility reviewed by an independent third party familiar with envi-  
30 ronmental management systems and submit a report to the department stat-

1 ing that the provisions of this paragraph have been met. The report shall be  
2 accompanied by supporting materials that document compliance with the  
3 provisions of this paragraph. The report shall include certification from a  
4 registered or certified environmental management auditor employed by, or  
5 under contract with, the independent third party that reviewed the environ-  
6 mental management system; or

7 “(B) The department shall contract with an independent third party fa-  
8 miliar with environmental management systems to review the environmental  
9 management system employed at the facility. The third party shall review the  
10 environmental management system, and, if the third party determines that  
11 the environmental management system meets the provisions of this para-  
12 graph, a registered or certified environmental management system auditor  
13 employed by, or contracted with, the third party shall certify that determi-  
14 nation to the department. The department shall recover from the applicant  
15 the costs incurred by the department as prescribed in ORS 468.073. An ap-  
16 plicant shall be liable for the costs of the department under this subpara-  
17 graph without regard to whether the department certifies the facility as a  
18 pollution control facility. The department may not certify a facility to which  
19 this subparagraph applies until the department has received full payment  
20 from the applicant.

21 **“SECTION 351.** ORS 468A.220 is amended to read:

22 “468A.220. (1) In addition to the members appointed under ORS 468A.215,  
23 the Oregon Climate Action Commission includes the following nonvoting  
24 members:

25 “(a) The Director of the State Department of Energy;

26 “(b) The Director of Transportation;

27 “(c) The chairperson of the Public Utility Commission of Oregon;

28 “(d) The Director of the Department of Environmental Quality;

29 “(e) The Director of Agriculture;

30 “(f) The State Forester;

1 “(g) The Water Resources Director;

2 “(h) The Director of the Department of Land Conservation and Develop-  
3 ment;

4 “(i) The Director of the Oregon Health Authority;

5 “(j) The Director of the [*Oregon Business Development Department*]  
6 **Oregon Department of Commerce and Trade;**

7 “(k) The Director of the Oregon Department of Administrative Services;

8 “(L) The Director of the Department of Consumer and Business Services;

9 “(m) The State Fish and Wildlife Director;

10 “(n) The Director of the Housing and Community Services Department;

11 “(o) The executive director of the Oregon Watershed Enhancement Board;

12 and

13 “(p) Three additional nonvoting members, each from a state agency or an  
14 academic institution.

15 “(2) The following representatives of the Legislative Assembly also shall  
16 serve as nonvoting members:

17 “(a) Two members of the Senate, not from the same political party, ap-  
18 pointed by the President of the Senate; and

19 “(b) Two members of the House of Representatives, not from the same  
20 political party, appointed by the Speaker of the House of Representatives.

21 “(3) Each legislative member serves at the pleasure of the appointing au-  
22 thority and may serve so long as the member remains in the chamber of the  
23 Legislative Assembly from which the member was appointed.

24 “(4) Notwithstanding ORS 171.072, members of the commission who are  
25 members of the Legislative Assembly are not entitled to mileage expenses  
26 or a per diem and serve as volunteers on the commission.

27 **“SECTION 352.** ORS 526.274 is amended to read:

28 “526.274. In furtherance of the policy established in ORS 526.271, the State  
29 Board of Forestry, in consultation with the Governor, may:

30 “(1) In conformance with federal law, including Public Law 108-7, direct

1 the State Forester to facilitate the development of stewardship contracts  
2 utilizing private contractors and, when appropriate, to seek and enter into  
3 a stewardship contract agreement with federal agencies to carry out forest  
4 management activities on federal lands. The State Forester may, under the  
5 stewardship contract agreements:

6 “(a) Perform road and trail maintenance;

7 “(b) Set prescribed fires to improve forest health, composition, structure  
8 and condition;

9 “(c) Manage vegetation;

10 “(d) Perform watershed restoration and maintenance;

11 “(e) Restore wildlife habitat;

12 “(f) Control exotic weeds and species; and

13 “(g) Perform other activities related to stewardship.

14 “(2) Create a forum for interagency cooperation and collaborative public  
15 involvement regarding federal forest management issues that may include,  
16 at the discretion of the board, the appointment of advisory committees, the  
17 use of existing advisory committees and procedures for holding public  
18 hearings.

19 “(3) Provide guidelines for the State Forestry Department and State  
20 Forester to follow that contain directions regarding the management of fed-  
21 eral lands and that specify the goals and objectives of the board regarding  
22 the management of federal lands.

23 “(4) Participate, to the extent allowed by federal law, in the development  
24 of federal forest policies and the forest management planning processes of  
25 federal agencies.

26 “(5) Provide guidelines for the department to follow in implementing this  
27 section.

28 “(6) Coordinate with Oregon State University, the State Department of  
29 Fish and Wildlife, the Oregon Forest Resources Institute, the Department  
30 of Environmental Quality, the [*Oregon Business Development Department*]

1 **Oregon Department of Commerce and Trade**, the State Department of  
2 Energy and other agencies of the executive department, as defined in ORS  
3 174.112, to assist the State Forestry Department in carrying out the pro-  
4 visions of this section.

5 **“SECTION 353. ORS 526.271, 526.272, 526.273, 526.274, 526.275, 526.276,**  
6 **526.277 and 526.280 are added to and made a part of ORS chapter 526.**

7 **“SECTION 354.** ORS 526.280 is amended to read:

8 “526.280. In furtherance of the policy established in ORS 526.277, the State  
9 Forester shall:

10 “(1) Establish a policy of active and inclusive communication with the  
11 federal government, public bodies as defined in ORS 174.109, residents of  
12 Oregon and interested parties regarding the utilization of woody biomass  
13 produced through forest health restoration. The State Forester shall actively  
14 utilize the statutory provisions of the National Forest Management Act of  
15 1976, the Forest and Rangeland Renewable Resources Planning Act of 1974,  
16 the National Environmental Policy Act of 1969, the Federal Land Policy and  
17 Management Act of 1976 and the Healthy Forests Restoration Act of 2003  
18 that allow the state to participate in federal policy development in a manner  
19 that expresses the policy established in ORS 526.277.

20 “(2) Promote public involvement in the identification of the areas of  
21 interface between urban lands and forestlands that pose the highest potential  
22 to threaten lives and private property.

23 “(3) Solicit public comment on the location of biomass-based energy  
24 projects and conversion facilities.

25 “(4) Promote public understanding, through education and outreach, of  
26 forest conditions, forest management options, the potential benefits and po-  
27 tential consequences of woody biomass utilization, the quality and quantity  
28 of woody biomass on federal lands and the potential for woody biomass  
29 utilization to assist in reducing wildfire risk and in enhancing forest health,  
30 diversity and resilience. The State Forestry Department may coordinate with



1 the State Department of Energy, the [*Oregon Business Development Depart-*  
2 *ment*] **Oregon Department of Commerce and Trade**, Oregon State Uni-  
3 versity, the State Department of Fish and Wildlife, the Department of  
4 Environmental Quality and other entities in any education and outreach  
5 performed pursuant to this subsection.

6 “(5) Assess the types of woody biomass available and serve as an infor-  
7 mation resource for persons seeking to utilize woody biomass for energy de-  
8 velopment. Notwithstanding ORS 192.345, reports on any assessment of  
9 woody biomass conducted by the State Forester shall be made available for  
10 public inspection.

11 “(6) Promote public understanding that woody biomass utilization may be  
12 an effective tool for restoration of forest health and for economic develop-  
13 ment in rural communities.

14 “(7) Develop and apply, with advice from the forestry program at Oregon  
15 State University, the State Department of Fish and Wildlife, the Department  
16 of Environmental Quality and other sources, the best available scientific  
17 knowledge and technologies pertaining to forest and wildlife habitat resto-  
18 ration and woody biomass utilization when developing rules under ORS  
19 527.630.

20 “(8) Seek opportunities to provide a source of woody biomass from federal,  
21 tribal, state and private forests.

22 “(9) Periodically prepare a report utilizing, to the greatest extent practi-  
23 cable, data collected from state and federal sources that specify the effect  
24 of woody biomass collection and conversion on the plant and wildlife re-  
25 sources and on the air and water quality of this state. The report shall  
26 identify any changes that the State Forester determines are necessary to  
27 encourage woody biomass collection and conversion and to avoid negative  
28 effects on the environment from woody biomass collection and conversion.  
29 The State Forester shall submit the report to the Governor and to an ap-  
30 propriate legislative interim committee with jurisdiction over forestry issues.

1       **“SECTION 355.** ORS 536.220 is amended to read:

2       “536.220. (1) The Legislative Assembly recognizes and declares that:

3       “(a) The maintenance of the present level of the economic and general  
4 welfare of the people of this state and the future growth and development  
5 of this state for the increased economic and general welfare of the people  
6 thereof are in large part dependent upon a proper utilization and control of  
7 the water resources of this state, and such use and control is therefore a  
8 matter of greatest concern and highest priority.

9       “(b) A proper utilization and control of the water resources of this state  
10 can be achieved only through a coordinated, integrated state water resources  
11 policy, through plans and programs for the development of such water re-  
12 sources and through other activities designed to encourage, promote and se-  
13 cure the maximum beneficial use and control of such water resources, all  
14 carried out by a single state agency.

15       “(c) The economic and general welfare of the people of this state have  
16 been seriously impaired and are in danger of further impairment by the ex-  
17 ercise of some single-purpose power or influence over the water resources  
18 of this state or portions thereof by each of a large number of public au-  
19 thorities, and by an equally large number of legislative declarations by  
20 statute of single-purpose policies with regard to such water resources, re-  
21 sulting in friction and duplication of activity among such public authorities,  
22 in confusion as to what is primary and what is secondary beneficial use or  
23 control of such water resources and in a consequent failure to utilize and  
24 control such water resources for multiple purposes for the maximum benefi-  
25 cial use and control possible and necessary.

26       “(2) The Legislative Assembly, therefore, finds that:

27       “(a) It is in the interest of the public welfare that a coordinated, inte-  
28 grated state water resources policy be formulated and means provided for its  
29 enforcement, that plans and programs for the development and enlargement  
30 of the water resources of this state be devised and promoted and that other

1 activities designed to encourage, promote and secure the maximum beneficial  
2 use and control of such water resources and the development of additional  
3 water supplies be carried out by a single state agency that, in carrying out  
4 its functions, shall give proper and adequate consideration to the multiple  
5 aspects of the beneficial use and control of such water resources with an  
6 impartiality of interest except that designed to best protect and promote the  
7 public welfare generally.

8 “(b) The state water resources policy shall be consistent with the goal set  
9 forth in ORS 468B.155.

10 “(3) The Water Resources Department shall develop an integrated state  
11 water resources strategy to implement the state water resources policy  
12 specified in subsection (2) of this section. The department shall design the  
13 strategy to meet Oregon’s in-stream and out-of-stream water needs.

14 “(4) The Water Resources Department shall work in close cooperation  
15 with the Department of Environmental Quality, the Oregon Watershed En-  
16 hancement Board, the State Department of Agriculture and the State De-  
17 partment of Fish and Wildlife to develop the integrated state water resources  
18 strategy, in consultation with other state, local and federal agencies, with  
19 other states, with Indian tribes, with stakeholders and with the public.

20 “(5) The Water Resources Department, in close cooperation with the De-  
21 partment of Environmental Quality, the State Department of Agriculture and  
22 the State Department of Fish and Wildlife, shall develop data on an ongoing  
23 basis to forecast Oregon’s in-stream and out-of-stream water needs, including  
24 but not limited to in-stream, ground water, human consumption, irrigated  
25 agriculture and water supply needs, for the purpose of developing and up-  
26 dating the integrated state water resources strategy.

27 “(6) The integrated state water resources strategy shall describe:

28 “(a) Oregon’s in-stream and out-of-stream water needs, including but not  
29 limited to ecosystem services, water quality and water supply needs.

30 “(b) Critical water issues at the state level and within water basins across

1 this state.

2 “(c) Objectives of the strategy.

3 “(d) Actions that are designed to achieve the objectives of the strategy.

4 “(e) Plans and actions concerning water-related natural hazards and the  
5 challenges presented by climate change.

6 “(f) Provisions to ensure communication and engagement with the public.

7 “(g) Provisions to promote meaningful engagement with environmental  
8 justice communities, as defined in ORS 182.535, consistent with the require-  
9 ments of ORS 182.545.

10 “(h) Provisions to promote partnerships with Indian tribes, public bodies,  
11 as defined in ORS 174.109, and key stakeholders to implement recommended  
12 actions, as appropriate.

13 “(i) How the integrated state water resources strategy will be imple-  
14 mented at multiple scales in a balanced, equitable and integrated manner.

15 “(j) How to support implementation of priority actions recommended in  
16 other relevant state-developed or state-recognized plans or strategies.

17 “(k) Specific functions and roles to be played by state agencies, including  
18 but not limited to the Department of Environmental Quality, the State De-  
19 partment of Fish and Wildlife, the State Department of Agriculture, the  
20 State Forestry Department, the Department of Human Services, the [*Oregon*  
21 *Business Development Department*] **Oregon Department of Commerce and**  
22 **Trade**, the Department of Land Conservation and Development, the Oregon  
23 Watershed Enhancement Board, the State Parks and Recreation Department,  
24 the Oregon Health Authority, the Department of State Lands and other rel-  
25 evant state agencies, along with provisions to achieve interagency coordi-  
26 nation.

27 “(L) Provisions to achieve coordination with federal agencies and states  
28 that neighbor Oregon.

29 “(m) Public policy options and recommendations.

30 “(n) Relevant strategy factors, including but not limited to population

1 growth and land use change.

2 “(o) Recommendations regarding the continuous monitoring of climate  
3 change effects on Oregon’s water supply and regarding water user actions  
4 that are necessary to address climate change.

5 “(p) Processes by which a biennial work plan will be developed and by  
6 which implementation of the work plan will be coordinated.

7 “(7) Before adopting or revising the integrated state water resources  
8 strategy, the Water Resources Commission shall give notice to the Environ-  
9 mental Quality Commission, the Oregon Watershed Enhancement Board, the  
10 State Board of Agriculture, the State Fish and Wildlife Commission and any  
11 other agency referenced in the strategy. The strategy, and any revisions to  
12 the strategy, shall take effect upon adoption by the Water Resources Com-  
13 mission.

14 “(8) The Water Resources Commission shall review and update the inte-  
15 grated state water resources strategy at least every eight years.

16 “(9) All agencies of state government, as defined in ORS 174.111, shall:

17 “(a) Assist the Water Resources Department, as requested, in performing  
18 the duties described in this section; and

19 “(b) Furnish information as necessary to develop, update and implement  
20 the integrated state water resources strategy.

21 “(10) This section does not limit the authority granted the Environmental  
22 Quality Commission or the Department of Environmental Quality under ORS  
23 chapter 468B.

24 “**SECTION 355a.** ORS 536.220, as operative until the date on which the  
25 Water Resources Commission adopts updates to the integrated state water  
26 resources strategy described in ORS 536.220, is amended to read:

27 “536.220. (1) The Legislative Assembly recognizes and declares that:

28 “(a) The maintenance of the present level of the economic and general  
29 welfare of the people of this state and the future growth and development  
30 of this state for the increased economic and general welfare of the people

1 thereof are in large part dependent upon a proper utilization and control of  
2 the water resources of this state, and such use and control is therefore a  
3 matter of greatest concern and highest priority.

4 “(b) A proper utilization and control of the water resources of this state  
5 can be achieved only through a coordinated, integrated state water resources  
6 policy, through plans and programs for the development of such water re-  
7 sources and through other activities designed to encourage, promote and se-  
8 cure the maximum beneficial use and control of such water resources, all  
9 carried out by a single state agency.

10 “(c) The economic and general welfare of the people of this state have  
11 been seriously impaired and are in danger of further impairment by the ex-  
12 ercise of some single-purpose power or influence over the water resources  
13 of this state or portions thereof by each of a large number of public au-  
14 thorities, and by an equally large number of legislative declarations by  
15 statute of single-purpose policies with regard to such water resources, re-  
16 sulting in friction and duplication of activity among such public authorities,  
17 in confusion as to what is primary and what is secondary beneficial use or  
18 control of such water resources and in a consequent failure to utilize and  
19 control such water resources for multiple purposes for the maximum benefi-  
20 cial use and control possible and necessary.

21 “(2) The Legislative Assembly, therefore, finds that:

22 “(a) It is in the interest of the public welfare that a coordinated, inte-  
23 grated state water resources policy be formulated and means provided for its  
24 enforcement, that plans and programs for the development and enlargement  
25 of the water resources of this state be devised and promoted and that other  
26 activities designed to encourage, promote and secure the maximum beneficial  
27 use and control of such water resources and the development of additional  
28 water supplies be carried out by a single state agency that, in carrying out  
29 its functions, shall give proper and adequate consideration to the multiple  
30 aspects of the beneficial use and control of such water resources with an

1 impartiality of interest except that designed to best protect and promote the  
2 public welfare generally.

3 “(b) The state water resources policy shall be consistent with the goal set  
4 forth in ORS 468B.155.

5 “(3)(a) The Water Resources Department shall develop an integrated state  
6 water resources strategy to implement the state water resources policy  
7 specified in subsection (2) of this section. The department shall design the  
8 strategy to meet Oregon’s in-stream and out-of-stream water needs.

9 “(b) The Water Resources Department shall work in close cooperation  
10 with the Department of Environmental Quality and the State Department of  
11 Fish and Wildlife to develop the integrated state water resources strategy in  
12 consultation with other state, local and federal agencies, with other states,  
13 with Indian tribes, with stakeholders and with the public.

14 “(c) The Water Resources Department, in close cooperation with the De-  
15 partment of Environmental Quality and the State Department of Fish and  
16 Wildlife, shall develop data on an ongoing basis to forecast Oregon’s in-  
17 stream and out-of-stream water needs, including but not limited to in-stream,  
18 underground water, human consumption and water supply needs, for the  
19 purpose of developing and updating the integrated state water resources  
20 strategy.

21 “(d) The integrated state water resources strategy shall describe the fol-  
22 lowing:

23 “(A) Oregon’s in-stream and out-of-stream water needs, including but not  
24 limited to ecosystem services, water quality and water supply needs.

25 “(B) Objectives of the strategy.

26 “(C) Actions that are designed to achieve the objectives of the strategy.

27 “(D) Plans related to the challenges presented by climate change.

28 “(E) Provisions to ensure communication and partnership with key  
29 stakeholders.

30 “(F) Specific functions and roles to be played by state agencies, including

1 but not limited to the State Department of Agriculture, the State Forestry  
2 Department, the Department of Human Services, the [*Oregon Business De-*  
3 *velopment Department*] **Oregon Department of Commerce and Trade**, the  
4 Department of Land Conservation and Development, the Oregon Watershed  
5 Enhancement Board, the State Parks and Recreation Department, the De-  
6 partment of State Lands and other relevant state agencies.

7 “(G) Public policy options and recommendations.

8 “(H) Relevant strategy factors, including but not limited to population  
9 growth and land use change.

10 “(I) Recommendations of the Water Resources Department regarding the  
11 continuous monitoring of climate change effects on Oregon’s water supply  
12 and regarding water user actions that are necessary to address climate  
13 change.

14 “(e)(A) The Water Resources Commission shall give the Environmental  
15 Quality Commission, the State Department of Agriculture and the State De-  
16 partment of Fish and Wildlife notice of the integrated state water resources  
17 strategy prior to adoption of the strategy. The strategy shall take effect upon  
18 adoption by the Water Resources Commission.

19 “(B) The Water Resources Commission shall review and update the inte-  
20 grated state water resources strategy every five years. The Water Resources  
21 Commission shall give notice to the Environmental Quality Commission, the  
22 State Department of Agriculture and the State Department of Fish and  
23 Wildlife prior to adopting any revisions of the strategy. Revisions of the  
24 strategy shall take effect upon the Water Resources Commission’s adoption  
25 of the revised strategy by reference in rule.

26 “(4) This section does not limit the authority granted the Environmental  
27 Quality Commission or the Department of Environmental Quality under ORS  
28 chapter 468B.

29 “**SECTION 356.** ORS 541.551 is amended to read:

30 “541.551. (1) As used in this section:



1 “(a) ‘Community engagement plan’ means a plan to meaningfully engage  
2 and provide suitable access to decision-making processes for disproportion-  
3 ately impacted communities, underrepresented communities, tribal communi-  
4 ties and all persons regardless of race, color, national origin or income in  
5 planning for water projects using identified best practices.

6 “(b) ‘Disproportionately impacted communities’ may include:

7 “(A) Rural communities;

8 “(B) Coastal communities;

9 “(C) Areas with above-average concentrations of historically disadvan-  
10 taged households or residents with low levels of educational attainment,  
11 areas with high unemployment, high linguistic isolation, low levels of  
12 homeownership or high rent burden or sensitive populations; or

13 “(D) Other communities that face barriers to meaningful participation in  
14 public processes.

15 “(c) ‘Local government’ has the meaning given that term in ORS 174.116.

16 “(d) ‘Local organization’ means an organization that:

17 “(A) Is a special government body as defined in ORS 174.117, a federally  
18 recognized Indian tribe, a nonprofit organization or other organization  
19 identified by a provider of water project support by rule as eligible to receive  
20 water project support; and

21 “(B) Operates in an area affected by a water project.

22 “(e) ‘Water project’ includes watershed enhancement, in-stream flow pro-  
23 tection or enhancement, water resource conservation or development, or  
24 water supply and wastewater treatment and disposal projects.

25 “(f) ‘Water project support’ means planning, technical assistance or fi-  
26 nancial support related to a water project that is provided to an eligible re-  
27 cipient by one of the following providers:

28 “(A) The Department of Environmental Quality;

29 “(B) The [*Oregon Business Development Department*] **Oregon Department**  
30 **of Commerce and Trade;**

1 “(C) The State Department of Fish and Wildlife;

2 “(D) The Oregon Health Authority;

3 “(E) The Oregon Watershed Enhancement Board; or

4 “(F) The Water Resources Department.

5 “(2) A provider of water project support:

6 “(a) May make water project support available for the purpose of enabling  
7 local organizations and local governments to develop and implement com-  
8 munity engagement plans related to a water project, including funding to  
9 increase participation by representatives of disproportionately impacted  
10 communities in planning processes and water project decision-making.

11 “(b) Shall require that community engagement plans supported by the  
12 provider utilize goals and approaches for increased participation of dispro-  
13 portionately impacted communities in decisions related to the identification,  
14 scoping, design and implementation of water projects.

15 “(c) Shall require that community engagement plans supported by the  
16 provider utilize best practices recognized by the provider under subsection  
17 (4) of this section.

18 “(3) A provider of water project support may condition support for com-  
19 munity engagement planning on the local organization or local government:

20 “(a) Identifying disproportionately impacted communities and local demo-  
21 graphics through the use of established systems; and

22 “(b) Using best practices recognized by the provider under subsection (4)  
23 of this section to develop a plan for water project decision-making that:

24 “(A) Invites and supports broad community participation that includes  
25 disproportionately impacted communities;

26 “(B) Invites and supports tribal participation in the areas of water  
27 projects or proposed water projects, regardless of whether tribal members are  
28 represented in the community demographics;

29 “(C) Establishes specific goals for equitable participation and water  
30 project decision-making and identifies specific realistic and achievable ap-

1 proaches for use in meeting those goals; and

2 “(D) Provides for periodic reporting on the attempted or successful  
3 achievement of best practices in the decision-making process.

4 “(4) Each provider of water project support shall, in coordination with the  
5 other providers, adopt rules recognizing best practices for use by the pro-  
6 vider, local organizations and local governments to ensure that community  
7 engagement planning activities are carried out in the manner described in  
8 this section. Providers of water project support shall periodically coordinate  
9 with each other to ensure that best practices recognized by the providers are  
10 updated as necessary and are administered and used by the providers in a  
11 consistent manner. The Water Resources Department shall oversee the coor-  
12 dination process. The department shall ensure that the coordination process  
13 occurs at least once every five years.

14 **“SECTION 357.** ORS 541.669 is amended to read:

15 “541.669. (1) The Water Resources Commission shall adopt rules estab-  
16 lishing a system for scoring and ranking projects to determine which projects  
17 are to be awarded loans and grants from the Water Supply Development  
18 Account, including but not limited to the application of minimum criteria  
19 designed to achieve the outcomes described in ORS 541.677. The criteria shall  
20 be based on the public benefit categories described in ORS 541.673. The  
21 commission shall make the loan and grant funding decisions at least twice  
22 each year. Applications must be filed with the Water Resources Department.  
23 The department shall accept an application for a loan or grant at any time,  
24 but shall establish a separate deadline for the filing of applications before  
25 each time the commission makes loan and grant funding decisions.

26 “(2) The department shall conduct a preliminary review of applications  
27 to check for completeness, eligibility and minimum requirements upon re-  
28 ceipt of each application. The department shall return incomplete applica-  
29 tions to the applicant. The department shall provide public notice by posting  
30 new funding applications on the department’s website for a 60-day period

1 prior to reviewing the applications. The department shall provide for the  
2 receipt of public comment on the applications during the 60-day period that  
3 applications are posted on the department's website.

4 “(3) The department shall forward applications that have passed prelimi-  
5 nary review, along with any comments received from applicants or the pub-  
6 lic, to a technical review team consisting of representatives of the Water  
7 Resources Department, the Department of Environmental Quality, the State  
8 Department of Fish and Wildlife, the State Department of Agriculture, the  
9 [*Oregon Business Development Department*] **Oregon Department of Com-**  
10 **merce and Trade**, affected Indian tribes, any collaborative body established  
11 by the Governor to address challenges, opportunities and priorities for the  
12 region affected by the project and additional experts as determined by the  
13 Water Resources Department. The technical review team shall conduct the  
14 initial scoring and ranking for the projects described in the applications,  
15 consider comments from applicants and the public and make loan and grant  
16 funding recommendations to the commission. The commission shall determine  
17 the final scoring and ranking of projects and make the final decision re-  
18 garding which projects are awarded loans or grants from the account. Before  
19 the commission makes a final decision on an application, the commission  
20 shall offer one additional opportunity for public comment.

21 “(4) The commission is not required to obligate all available account  
22 moneys during a funding cycle. Any available account moneys that are not  
23 obligated during a funding cycle shall be carried forward and be made  
24 available for projects in future funding cycles.

25 “(5) The department shall document the ranking of all applications and  
26 make the application ranking publicly available after the funding decisions  
27 by the commission have been published.

28 “**SECTION 358.** ORS 541.845 is amended to read:

29 “541.845. (1) In accordance with the applicable provisions of ORS chapter  
30 183, the Water Resources Commission may adopt rules necessary to carry out

1 ORS 541.700 to 541.855.

2 “(2) In adopting rules establishing guidelines or criteria for awarding  
3 loans or grants for drinking water projects, the commission shall coordinate  
4 the Water Resources Department’s rulemaking process with the [*Oregon*  
5 *Business Development Department*] **Oregon Department of Commerce and**  
6 **Trade** and the Oregon Health Authority in order to ensure that rules  
7 adopted under this subsection are consistent with rules adopted under ORS  
8 285B.563 and 431.120. The rules adopted under this subsection shall:

9 “(a) Require the installation of meters on all new active service con-  
10 nections from any municipal drinking water distribution lines funded under  
11 ORS 285B.560 to 285B.599, 431.120, 541.700, 541.705, 541.765, 541.830 and  
12 541.845; and

13 “(b) Require a plan, to be adopted by the municipality, for installation  
14 of meters on all service connections throughout the drinking water system.

15 “(3) As used in this section, ‘service connection’ does not include fire  
16 hydrants, fire sprinkler system connections, line blow-offs and drains,  
17 standby emergency interties, valve controlled drinking fountains and other  
18 similar intermittently used connections.

19 **“SECTION 359.** ORS 541.972 is amended to read:

20 “541.972. (1) The Oregon Watershed Enhancement Board shall, by January  
21 15 of each even-numbered year, submit a report to the Governor and to the  
22 appropriate committee or committees of the Legislative Assembly that as-  
23 sesses the implementation and effectiveness of the Oregon Plan in the state.  
24 The report shall address each drainage basin in the state and shall include,  
25 but need not be limited to:

26 “(a) An assessment of data and information needs deemed critical to  
27 monitoring and evaluating watershed and habitat enhancement programs and  
28 efforts;

29 “(b) An overview of state agency programs addressing watershed condi-  
30 tions;

1 “(c) An overview of voluntary restoration activities addressing watershed  
2 conditions;

3 “(d) A summary of investments made by the board from funds received  
4 under Article XV, section 4b, of the Oregon Constitution, and all other  
5 sources; and

6 “(e) The recommendations of the board for enhancing the effectiveness of  
7 Oregon Plan implementation.

8 “(2) Each natural resources agency shall provide information that the  
9 board requests for purposes of preparing the report described in subsection  
10 (1) of this section. An agency shall provide the information in the format and  
11 at the times determined by the board.

12 “(3) For purposes of this section, ‘natural resources agency’ includes:

13 “(a) Department of Environmental Quality;

14 “(b) State Department of Agriculture;

15 “(c) State Department of Fish and Wildlife;

16 “(d) State Forestry Department;

17 “(e) Department of State Lands;

18 “(f) Water Resources Department;

19 “(g) Department of Land Conservation and Development;

20 “(h) State Department of Geology and Mineral Industries;

21 “(i) Oregon Watershed Enhancement Board;

22 “(j) Fish and Wildlife Division of the Department of State Police;

23 “(k) Department of Transportation;

24 “(L) State Parks and Recreation Department;

25 “(m) [*Oregon Business Development Department*] **Oregon Department of  
26 Commerce and Trade;**

27 “(n) State Marine Board; and

28 “(o) Any other state agency that is required to manage, allocate or pro-  
29 tect natural resources, either as the primary responsibility of the agency or  
30 in conjunction with the primary responsibilities of the agency.

1 “(4) In addition to the report specified under subsection (1) of this section,  
2 the Oregon Watershed Enhancement Board shall report regularly during the  
3 interim on the implementation of the Oregon Plan to the appropriate legis-  
4 lative committee.

5 **“SECTION 360.** ORS 571.605 is amended to read:

6 “571.605. (1) The [*Oregon Business Development Department*] **Oregon De-**  
7 **partment of Commerce and Trade** shall provide economic development  
8 assistance to persons engaged in the business of western juniper harvesting  
9 or of manufacturing products from western juniper. The department may  
10 provide the economic development assistance for any western juniper har-  
11 vesting or related manufacturing business development project that the de-  
12 partment deems reasonable, including but not limited to the provision of  
13 moneys for business or infrastructure expansion and the hiring or retention  
14 of workers.

15 “(2) The department shall provide economic development assistance under  
16 this section as either a loan or a grant. If the department provides the eco-  
17 nomic development assistance as a loan, the department shall make the loan  
18 subject to partial or full forgiveness if the borrower meets detailed perform-  
19 ance measures. Subject to subsection (5) of this section, the department may  
20 provide both loans and grants to a person to meet business development  
21 project needs for the western juniper harvesting or related manufacturing  
22 business of the person.

23 “(3) An application for economic development assistance under this sec-  
24 tion must:

25 “(a) Be submitted as a loan application in a form acceptable to the de-  
26 partment; and

27 “(b) Contain a business development project plan.

28 “(4)(a) The department may issue a loan under this section only if the  
29 business development project plan contained in the loan application demon-  
30 strates to the satisfaction of the department that:

1       “(A) The project is feasible and reasonable from a practical and economic  
2 standpoint;

3       “(B) The project is unlikely to be developed without economic develop-  
4 ment assistance from the department; and

5       “(C) The western juniper harvesting or related manufacturing business  
6 will have a reasonable prospect of meeting performance measures required  
7 by the department.

8       “(b) A loan made under this section may be interest-bearing or interest-  
9 free and may be secured by any assets or revenues agreed to by the depart-  
10 ment and the borrower.

11       “(c) The department may establish detailed performance measures that, if  
12 met by the borrower, may result in all or part of the loan being forgiven.  
13 The performance measures may include, but need not be limited to, employ-  
14 ment figures, payroll amounts, sales, limitations on expenses and the  
15 amounts of western juniper harvested or otherwise removed from lands in  
16 this state due to the business. A loan made under this section must require  
17 the borrower to repay the loan if the western juniper harvesting or related  
18 manufacturing business fails to meet required performance measures.

19       “(5) The department may issue a grant under this section only if a loan  
20 application is submitted under subsection (3) of this section and the depart-  
21 ment determines that the repayment of a loan for a needed business devel-  
22 opment project would create an undue hardship that would impair the  
23 viability of the western juniper harvesting or related manufacturing busi-  
24 ness. The department may use a grant issued in accordance with this sub-  
25 section to supplement or replace economic development assistance that the  
26 department provides as a loan under this section.

27       “(6) Loans and grants authorized under this section shall be made from  
28 the Western Juniper Industry Fund established under ORS 571.625. Any  
29 principal and interest paid to the department by a borrower on a loan made  
30 under this section shall be deposited in the fund.



1       **“SECTION 361.** ORS 571.610 is amended to read:

2       “571.610. The [*Oregon Business Development Department*] **Oregon De-**  
3 **partment of Commerce and Trade** shall make technical business assist-  
4 ance available to persons engaged in, or proposing to engage in, the business  
5 of western juniper harvesting or of manufacturing products from western  
6 juniper. The department shall make the assistance available to support the  
7 creation, growth or development of a western juniper harvesting or related  
8 manufacturing business, including but not limited to assistance designed to  
9 improve business efficiency, stability, transparency and profitability. The  
10 assistance may be in standardized or customized form. The department may  
11 provide technical business assistance directly or may enter into personal  
12 service contracts for qualified providers to render the assistance.

13       **“SECTION 362.** ORS 571.615 is amended to read:

14       “571.615. (1) The [*Oregon Business Development Department*] **Oregon De-**  
15 **partment of Commerce and Trade** shall provide, or shall partially or fully  
16 fund the provision of, workforce training assistance to persons engaged in  
17 the business of western juniper harvesting or of manufacturing products from  
18 western juniper. The department shall provide or fund the training assistance  
19 to support the growth and development of a western juniper harvesting or  
20 related manufacturing business, including but not limited to supporting  
21 business by qualifying workers in harvesting, commercial driving and mill-  
22 ing. The training assistance may be in standardized or customized form. If  
23 the department provides training assistance under this subsection or as part  
24 of a cooperative agreement under subsection (2) of this section, the depart-  
25 ment may provide the assistance directly or may enter into personal service  
26 contracts for qualified providers to render the assistance.

27       “(2) The department shall give preference to creating basic worker skills,  
28 but may also provide or fund training to assist in the maintenance or ad-  
29 vancement of worker skills to ensure the viability of western juniper har-  
30 vesting or related manufacturing businesses in this state. The department,

1 the Employment Department, local governments as defined in ORS 174.116,  
2 nonprofit organizations and private associations may enter into cooperative  
3 agreements for:

4 “(a) Identifying the projected workforce needs of western juniper har-  
5 vesting or related manufacturing businesses, potential workers for those  
6 businesses and the training needs of those potential workers; and

7 “(b) Providing workforce training assistance to meet the needs described  
8 in paragraph (a) of this subsection.

9 “(3) Workforce training assistance described in this section must be de-  
10 signed to increase the likelihood that individuals in the local areas near  
11 western juniper harvesting or related manufacturing businesses will have the  
12 necessary skill sets to obtain work in those businesses. The [*Oregon Business*  
13 *Development Department*] **Oregon Department of Commerce and Trade**  
14 may give training assistance preference to individuals in the local areas who  
15 are unemployed.

16 “**SECTION 363.** ORS 571.625 is amended to read:

17 “571.625. The Western Juniper Industry Fund is established in the State  
18 Treasury, separate and distinct from the General Fund. Interest earned by  
19 the Western Juniper Industry Fund shall be credited to the fund. The fund  
20 shall consist of any moneys appropriated, allocated, deposited or transferred  
21 to the fund by the Legislative Assembly or otherwise. Moneys in the fund  
22 are continuously appropriated to the [*Oregon Business Development Depart-*  
23 *ment*] **Oregon Department of Commerce and Trade** for the purpose of  
24 carrying out activities under ORS 571.605, 571.610 and 571.615. Any moneys  
25 deposited in the fund for the purpose of carrying out a particular activity  
26 shall be kept in a separate subaccount of the fund and accounted for sepa-  
27 rately.

28 “**SECTION 364.** ORS 576.013 is amended to read:

29 “576.013. (1) The purpose of the market development service of the Agri-  
30 cultural Development Division shall be to assist in the establishment and

1 development of new markets and to maintain or expand existing domestic  
2 and foreign markets for farm and food commodities produced or processed in  
3 this state. The purpose of the commodity development service of the Agri-  
4 cultural Development Division shall be to assist in the development and im-  
5 provement of farm and food commodities and their values and uses.

6 “(2) In furthering the purpose of the market development service, the  
7 State Department of Agriculture may:

8 “(a) Collect and disseminate information relating to the availability,  
9 quality and uses of farm and food commodities produced or processed in this  
10 state, including participation in demonstrations, fairs and exhibits;

11 “(b) Serve as an intermediary between prospective purchasers and sellers  
12 of farm and food commodities produced or processed in this state as to source  
13 of supply and demand;

14 “(c) After notice to and with the approval of the Governor, represent the  
15 state in matters of legislation or rulemaking affecting the establishment,  
16 development, maintenance or expansion of markets for farm and food com-  
17 modities produced or processed in this state;

18 “(d) Cooperate with and aid producers, processors, distributors and pro-  
19 spective purchasers of farm and food commodities in establishing, or im-  
20 proving and maintaining, an efficient system of production, processing,  
21 distribution and marketing of farm and food commodities;

22 “(e) Investigate delays, embargoes, conditions and practices, charges and  
23 rates in the marketing, transportation and handling of farm and food com-  
24 modities produced or processed in this state, and when an investigation dis-  
25 closes a probable violation of state or federal law, make recommendations  
26 to the proper state or federal authorities for appropriate action;

27 “(f) Engage in negotiations with common and contract carriers and initi-  
28 ate or participate in the prosecution of proceedings before agencies engaged  
29 in freight rate regulation within or without this state in matters relating to  
30 the establishment of new freight rates, the modification of existing freight

1 rates or to unjust, unreasonable or discriminatory rates or practices affecting  
2 the cost of transportation, production or processing of farm or food com-  
3 modities produced or processed in this state;

4 “(g) Investigate the advisability and need for establishment of terminal,  
5 regional, assembly, dock and other distributing facilities for the delivery,  
6 sale and distribution of farm and food commodities at or near the point of  
7 purchase or use, and advise and cooperate with public or private agencies  
8 or organizations in promoting the establishment, construction or acquisition  
9 of the facilities for public use and make recommendations as to their oper-  
10 ations;

11 “(h) Accept grants from public or private agencies, organizations or per-  
12 sons, with any grant treated as a trust fund, separate and distinct from the  
13 General Fund, within the meaning of ORS chapters 291 and 293;

14 “(i) Consult with other states in development of joint programs for the  
15 establishment, development, maintenance or expansion of domestic and for-  
16 eign markets on a mutual basis;

17 “(j) Cooperate with the [*Oregon Business Development Department*]  
18 **Oregon Department of Commerce and Trade** of this state in foreign and  
19 domestic marketing matters of common interest; and

20 “(k) Enter into agreements with public and private entities in new or  
21 existing markets to assist the establishment, development, maintenance or  
22 expansion of those markets and provide for sampling, testing, certification  
23 or other procedures or processes to facilitate the movement of, or optimize  
24 the value of, farm and food products.

25 “(3) In furthering the purpose of the commodity development service, the  
26 department may:

27 “(a) Collect and disseminate information relating to new or alternate crop  
28 production, processing and marketing feasibilities to producers of farm and  
29 food commodities;

30 “(b) Assist the commodity commissions in carrying out mutual or joint

1 scientific research efforts and mutual or joint development of the commercial  
2 values and new and additional uses of their commodities; and

3 “(c) Accept grants from public or private agencies, organizations or per-  
4 sons, with any grant treated as a trust fund, separate and distinct from the  
5 General Fund, within the meaning of ORS chapters 291 and 293.

6 “(4) Nothing in ORS 576.006 to 576.022 shall authorize, or modify the  
7 limitations on authority under ORS 561.170 for, the Agricultural Develop-  
8 ment Division, or its staff to:

9 “(a) Engage in any commercial transaction involving farm or food com-  
10 modities as purchaser, seller, broker or dealer; or

11 “(b) Acquire or own any farm or food commodities or real property asso-  
12 ciated with them.

13 **“SECTION 365.** ORS 576.871 is amended to read:

14 “576.871. (1) The report submitted by the Oregon Wine Board under ORS  
15 182.472 must include a description of the long term strategic plan created by  
16 the board and a description of the progress made in implementing the state-  
17 wide strategic objectives of the board during the most recent biennium.

18 “(2) Notwithstanding ORS 182.462:

19 “(a) The board shall prepare and submit annual plans and a budget re-  
20 commended by the board for promotion and for research during the next  
21 fiscal year.

22 “(b) The board shall adopt rules specifying the procedures, criteria and  
23 timelines for the preparation and approval of the annual plans and budget  
24 for promotion and for research.

25 “(c) The Director of the [*Oregon Business Development Department*]  
26 **Oregon Department of Commerce and Trade** shall review the budget and  
27 plans submitted under this section. In reviewing the annual plans and  
28 budget, the director shall consider whether the information supplied by the  
29 board is factual and consistent with ORS 576.850 to 576.877 and the positive  
30 development of the Oregon wine grape growing and wine making industries.

1 The director shall either approve the budget and plans prior to the com-  
2 mencement of the next fiscal year or disapprove and return the budget and  
3 plans to the board with conditions necessary for approval prior to the com-  
4 mencement of the next fiscal year. In reviewing the budget and plans, the  
5 director may consult with and receive coordinated support from:

6 “(A) The State Department of Agriculture;

7 “(B) The Oregon Tourism Commission;

8 “(C) Oregon State University;

9 “(D) The Office of Community Colleges and Workforce Development; and

10 “(E) The Oregon Liquor and Cannabis Commission.

11 **“SECTION 366.** ORS 657.665 is amended to read:

12 “657.665. (1) Except as provided in subsections (2) to (5) of this section,  
13 all information in the records of the Employment Department pertaining to  
14 the administration of the unemployment insurance, employment service and  
15 workforce and labor market information programs:

16 “(a) Is confidential and for the exclusive use and information of the Di-  
17 rector of the Employment Department in administering the unemployment  
18 insurance, employment service and workforce and labor market information  
19 programs in Oregon.

20 “(b) May not be used in any court action or in any proceeding pending  
21 in the court unless the director or the state is a party to the action or pro-  
22 ceeding or unless the proceeding concerns the establishment, enforcement or  
23 modification of a support obligation and support services are being provided  
24 by the Division of Child Support or the district attorney pursuant to ORS  
25 25.080.

26 “(c) Is exempt from disclosure under ORS 192.311 to 192.478.

27 “(2) The Employment Department shall disclose information:

28 “(a) To any claimant or legal representative, at a hearing before an ad-  
29 ministrative law judge, to the extent necessary for the proper presentation  
30 of an unemployment insurance claim.

1       “(b) Upon request to the United States Secretary of Labor. The Employ-  
2 ment Department shall disclose the information in a form and containing the  
3 information that the United States Secretary of Labor may require. The in-  
4 formation disclosed is confidential and may not be used for any other pur-  
5 pose.

6       “(c) Pursuant to section 303(a)(7) of the Social Security Act, upon request  
7 to any agency of the United States charged with the administration of public  
8 works or assistance through public employment. Under this paragraph, the  
9 Employment Department shall disclose the name, address, ordinary occupa-  
10 tion and employment status of each recipient of unemployment insurance  
11 benefits and a statement of the recipient’s right to further benefits under this  
12 chapter. The information disclosed is confidential and may not be used for  
13 any other purpose.

14       “(d) Pursuant to section 303(c)(1) of the Social Security Act, to the Rail-  
15 road Retirement Board. Under this paragraph, the Employment Department  
16 shall disclose unemployment insurance records. The information disclosed is  
17 confidential and may not be used for any other purpose. The costs of dis-  
18 closing information under this paragraph shall be paid by the board.

19       “(e) Pursuant to section 303(d) of the Social Security Act, upon request  
20 to officers and employees of the United States Department of Agriculture and  
21 to officers or employees of any state Supplemental Nutrition Assistance  
22 Program agency for the purpose of determining an individual’s eligibility for  
23 or the amount of supplemental nutrition assistance. The information dis-  
24 closed is confidential and may not be used for any other purpose. The costs  
25 of disclosing information under this paragraph shall be paid by the United  
26 States Department of Agriculture.

27       “(f) Pursuant to section 303(e)(1) and (2)(A)(ii) of the Social Security Act,  
28 to state or local child support enforcement agencies enforcing child support  
29 obligations under Title IV-D of the Social Security Act for the purposes of  
30 establishing child support obligations, locating individuals owing child sup-

1 port obligations and collecting child support obligations from those individ-  
2 uals. The information disclosed is confidential and may not be used for any  
3 other purpose. The costs of disclosing information under this paragraph shall  
4 be paid by the child support enforcement agency.

5 “(g) Pursuant to sections 303(f) and 1137 of the Social Security Act, to  
6 agencies participating in the income and eligibility verification system for  
7 the purpose of verifying an individual’s eligibility for benefits, or the amount  
8 of benefits, under unemployment insurance, temporary assistance for needy  
9 families, Medicaid, the Supplemental Nutrition Assistance Program, Supple-  
10 mental Security Income, child support enforcement or Social Security pro-  
11 grams. The information disclosed is confidential and may not be used for any  
12 other purpose. The costs of disclosing information under this paragraph shall  
13 be paid by the requesting agency.

14 “(h) Pursuant to section 303(h) of the Social Security Act and section  
15 3304(a)(16)(B) of the Federal Unemployment Tax Act, to the United States  
16 Department of Health and Human Services National Directory of New Hires.  
17 The information disclosed is confidential and may not be used for any other  
18 purpose. The costs of disclosing information under this paragraph shall be  
19 paid by the United States Department of Health and Human Services.

20 “(i) Pursuant to section 303(i) of the Social Security Act, to officers and  
21 employees of the United States Department of Housing and Urban Develop-  
22 ment and to representatives of a public housing agency for the purpose of  
23 determining an individual’s eligibility for benefits, or the amount of benefits,  
24 under a housing assistance program of the United States Department of  
25 Housing and Urban Development. The information disclosed is confidential  
26 and may not be used for any other purpose. The costs of disclosing informa-  
27 tion under this paragraph shall be paid by the United States Department of  
28 Housing and Urban Development or the public housing agency.

29 “(j) Pursuant to regulations of the United States Secretary of Health and  
30 Human Services issued under section 3304(a)(16)(A) of the Federal Unem-



1 ployment Tax Act, and except as required by section 303 of the Social Secu-  
2 rity Act, to the state, a political subdivision or a federally recognized Indian  
3 tribe that has signed an agreement with the Department of Human Services  
4 to administer Part A of Title IV of the Social Security Act for the purpose  
5 of determining an individual's eligibility for assistance, or the amount of  
6 assistance, under a program funded under Part A of Title IV of the Social  
7 Security Act. The information disclosed is confidential and may not be used  
8 for any other purpose.

9 “(k) Upon request, to the United States Attorney's Office. Under this  
10 paragraph, the Employment Department may disclose an individual's em-  
11 ployment and wage information in response to a federal grand jury subpoena  
12 or for the purpose of collecting civil and criminal judgments, including  
13 restitution and special assessment fees. The information disclosed is confi-  
14 dential and may not be used for any other purpose. The costs of disclosing  
15 information under this paragraph shall be paid by the United States  
16 Attorney's Office.

17 “(3) The Employment Department may disclose information secured from  
18 employing units:

19 “(a) To state agencies, federal agencies, local government agencies, public  
20 universities listed in ORS 352.002 and the Oregon Health and Science Uni-  
21 versity established under ORS 353.020, to the extent necessary to properly  
22 carry out governmental planning, performance measurement, program analy-  
23 sis, socioeconomic analysis or policy analysis functions performed under ap-  
24 plicable law. The information disclosed is confidential and may not be  
25 disclosed by the agencies or universities in any manner that would identify  
26 individuals, claimants, employees or employing units. If the information dis-  
27 closed under this paragraph is not prepared for the use of the Employment  
28 Department, the costs of disclosing the information shall be paid by the  
29 agency or university requesting the information.

30 “(b) As part of a geographic information system. Points on a map may be

1 used to represent economic data, including the location, employment size  
2 class and industrial classification of businesses in Oregon. Information pre-  
3 sented as part of a geographic information system may not give specific de-  
4 tails regarding a business's address, actual employment or proprietary  
5 information. If the information disclosed under this paragraph is not pre-  
6 pared for the use of the Employment Department, the costs of disclosing the  
7 information shall be paid by the party requesting the information.

8 “(c) In accordance with ORS 657.673.

9 “(4) The Employment Department may:

10 “(a) Disclose information to public employees in the performance of their  
11 duties under state or federal laws relating to the payment of unemployment  
12 insurance benefits, the provision of employment services and the provision  
13 of workforce and labor market information.

14 “(b) At the discretion of the Director of the Employment Department and  
15 subject to an interagency agreement, disclose information to public officials  
16 in the performance of their official duties administering or enforcing laws  
17 within their authority and to the agents or contractors of public officials.  
18 The public official shall agree to assume responsibility for misuse of the in-  
19 formation by the official's agent or contractor.

20 “(c) Disclose information pursuant to an informed consent, received from  
21 an employer or claimant, to disclose the information.

22 “(d) Disclose information to partners under the federal Workforce Inno-  
23 vation and Opportunity Act for the purpose of administering state workforce  
24 programs under the Act. The information disclosed is confidential and may  
25 not be used for any other purpose. The costs of disclosing information under  
26 this paragraph shall be paid by the requesting partner.

27 “(e) Disclose the names and addresses of employing units to the Bureau  
28 of Labor and Industries for the purpose of disseminating information to em-  
29 ploying units. The names and addresses disclosed are confidential and may  
30 not be used for any other purpose. If the information disclosed under this

1 paragraph is not prepared for the use of the Employment Department, the  
2 costs of disclosing the information shall be paid by the bureau.

3 “(f) Disclose information to the Commissioner of the Bureau of Labor and  
4 Industries for the purpose of performing duties under ORS 279C.800 to  
5 279C.870, 658.005 to 658.245 or 658.405 to 658.511 or ORS chapter 652, 653 or  
6 659A. The information disclosed may include the names and addresses of  
7 employers and employees and payroll data of employers and employees. The  
8 information disclosed is confidential and may not be used for any other  
9 purpose. If the information disclosed under this paragraph is not prepared  
10 for the use of the Employment Department, the costs of disclosing the in-  
11 formation shall be paid by the bureau.

12 “(g) Disclose information required under ORS 657.660 (3) and (4) to the  
13 Public Employees Retirement System for the purpose of determining the el-  
14 igibility of members of the retirement system for disability under ORS  
15 chapters 238 and 238A. The information disclosed is confidential and may not  
16 be used for any other purpose. The costs of disclosing information under this  
17 paragraph shall be paid by the Public Employees Retirement System.

18 “(h) Disclose to the [*Oregon Business Development Commission*] **Oregon**  
19 **Commerce and Trade Commission** and the [*Oregon Business Development*  
20 *Department*] **Oregon Department of Commerce and Trade** information  
21 required by the commission and the department in performing their duties  
22 under ORS 285A.050 and 285B.630 to verify changes in employment levels  
23 following direct employer participation in department programs or indirect  
24 participation through municipalities under ORS 285B.410 to 285B.482. The  
25 information disclosed to the commission and the department may include an  
26 employer’s employment level, total subject wages payroll and whole hours  
27 worked. The information disclosed is confidential and may not be used for  
28 any other purpose. The commission and the department may not disclose the  
29 information in any manner that would identify an employing unit or em-  
30 ployee except to the extent necessary to carry out the commission’s and the

1 department's duties under ORS 285A.050 and 285B.630. If the information  
2 disclosed under this paragraph is not prepared for the use of the Employment  
3 Department, the costs of disclosing the information shall be paid by the  
4 commission or the [*Oregon Business Development Department*] **Oregon De-**  
5 **partment of Commerce and Trade.**

6 “(i) Disclose information to the Department of Revenue for the purpose  
7 of performing its duties under ORS 293.250 or under the revenue and tax laws  
8 of this state, or for the purpose of using information reported by employers  
9 and claimants to detect potential identity theft or fraudulent claims. The  
10 information disclosed may include the names and addresses of employers and  
11 employees and payroll data of employers and employees. The information  
12 disclosed is confidential and may not be disclosed by the Department of  
13 Revenue in any manner that would identify an employing unit or employee  
14 except to the extent necessary to carry out the department's duties under  
15 ORS 293.250 or in auditing or reviewing any report or return required or  
16 permitted to be filed under the revenue and tax laws administered by the  
17 department. The Department of Revenue may not disclose any information  
18 received to any private collection agency or for any other purpose. If the  
19 information disclosed under this paragraph is not prepared for the use of the  
20 Employment Department, the costs of disclosing the information shall be  
21 paid by the Department of Revenue.

22 “(j) Disclose information to the Department of Consumer and Business  
23 Services for the purpose of performing its duties under ORS chapters 654 and  
24 656. The information disclosed may include the name, address, number of  
25 employees and industrial classification code of an employer and payroll data  
26 of employers and employees. The information disclosed is confidential and  
27 may not be disclosed by the Department of Consumer and Business Services  
28 in any manner that would identify an employing unit or employee except to  
29 the extent necessary to carry out the department's duties under ORS chap-  
30 ters 654 and 656, including administrative hearings and court proceedings in

1 which the Department of Consumer and Business Services is a party. If the  
2 information disclosed under this paragraph is not prepared for the use of the  
3 Employment Department, the costs of disclosing the information shall be  
4 paid by the Department of Consumer and Business Services.

5 “(k) Disclose information to the Construction Contractors Board for the  
6 purpose of performing its duties under ORS chapter 701. The information  
7 disclosed to the board may include the names and addresses of employers and  
8 status of their compliance with this chapter. If the information disclosed  
9 under this paragraph is not prepared for the use of the Employment De-  
10 partment, the costs of disclosing the information shall be paid by the board.

11 “(L) Disclose information to the State Fire Marshal to assist the State  
12 Fire Marshal in carrying out duties under ORS 453.307 to 453.414. The in-  
13 formation disclosed may include the name, address, telephone number and  
14 industrial classification code of an employer. The information disclosed is  
15 confidential and may not be disclosed by the State Fire Marshal in any  
16 manner that would identify an employing unit except to the extent necessary  
17 to carry out duties under ORS 453.307 to 453.414. If the information disclosed  
18 under this paragraph is not prepared for the use of the Employment De-  
19 partment, the costs of disclosing the information shall be paid by the De-  
20 partment of the State Fire Marshal.

21 “(m) Disclose information to the Higher Education Coordinating Com-  
22 mission for the purpose of performing the commission’s duties under ORS  
23 chapter 348 and Title IV of the Higher Education Act of 1965. The informa-  
24 tion disclosed may include the names and addresses of employers and em-  
25 ployees and payroll data of employers and employees. The information  
26 disclosed is confidential and may not be disclosed by the commission in any  
27 manner that would identify an employing unit or employee except to the  
28 extent necessary to carry out the commission’s duties under ORS chapter 348  
29 or Title IV of the Higher Education Act of 1965. If the information disclosed  
30 under this paragraph is not prepared for the use of the Employment De-

1 partment, the costs of disclosing the information shall be paid by the com-  
2 mission.

3 “(n) Disclose information to the Department of Transportation to assist  
4 the Department of Transportation in carrying out the duties of the Depart-  
5 ment of Transportation relating to collection of delinquent and liquidated  
6 debts, including taxes, under ORS 184.610 to 184.665, 184.670 to 184.733 and  
7 805.263, ORS chapter 319 and the Oregon Vehicle Code. The information  
8 disclosed may include the names and addresses of employers and employees  
9 and payroll data of employers and employees. The information disclosed is  
10 confidential and may not be disclosed by the Department of Transportation  
11 in any manner that would identify an employing unit or employee except to  
12 the extent necessary to carry out the Department of Transportation’s duties  
13 relating to collection of delinquent and liquidated debts or in auditing or  
14 reviewing any report or return required or permitted to be filed under the  
15 revenue and tax laws administered by the Department of Transportation. The  
16 Department of Transportation may not disclose any information received to  
17 any private collection agency or for any other purpose. If the information  
18 disclosed under this paragraph is not prepared for the use of the Employment  
19 Department, the costs of disclosing the information shall be paid by the De-  
20 partment of Transportation.

21 “(o) Disclose information to the Department of Human Services and the  
22 Oregon Health Authority to assist the Department of Human Services and  
23 the Oregon Health Authority in the collection of debts that the Department  
24 of Human Services and the Oregon Health Authority are authorized by law  
25 to collect. The information disclosed may include the names, addresses and  
26 payroll data of employers and employees. The information disclosed is con-  
27 fidential and may not be disclosed by the Department of Human Services or  
28 the Oregon Health Authority in a manner that would identify an employing  
29 unit or employee except to the extent necessary for the collection of debts  
30 as described in this paragraph. The Department of Human Services and the

1 Oregon Health Authority may not disclose information received under this  
2 paragraph to a private collection agency or use the information for a purpose  
3 other than the collection of debts as described in this paragraph. If the in-  
4 formation disclosed under this paragraph is not prepared for the use of the  
5 Employment Department, the costs of disclosing the information shall be  
6 paid by the Department of Human Services or the Oregon Health Authority.

7 “(p) Disclose to the Alcohol and Drug Policy Commission information  
8 required by the commission in evaluating and measuring the performance of  
9 alcohol and drug prevention and treatment programs under ORS 430.223 or  
10 the impact of the programs on employment. The information disclosed to the  
11 commission may include total subject wages payroll and whole hours worked.  
12 The information disclosed under this paragraph is confidential and may not  
13 be used for any other purpose. The commission may not disclose the infor-  
14 mation in any manner that would identify an employing unit or employee  
15 except to the extent necessary to carry out the commission’s duties under  
16 ORS 430.223. If the information disclosed under this paragraph is not pre-  
17 pared for the use of the Employment Department, the costs of disclosing the  
18 information shall be paid by the commission.

19 “(q) Disclose to any person establishment level information secured pur-  
20 suant to this chapter from federal, state and local government agencies,  
21 public universities listed in ORS 352.002 or the Oregon Health and Science  
22 University established under ORS 353.020. If the information disclosed under  
23 this paragraph is not prepared for the use of the Employment Department,  
24 the costs of disclosing the information shall be paid by the person requesting  
25 the information.

26 “(r) Disclose to any person the industrial classification code assigned to  
27 an employing unit. If the information disclosed under this paragraph is not  
28 prepared for the use of the Employment Department, the costs of disclosing  
29 the information shall be paid by the person requesting the information.

30 “(s) Disclose information to the State Treasurer useful for the purpose

1 of performing the State Treasurer's duties under ORS 98.302 to 98.436, 98.992  
2 and 116.253 and the role of an estate administrator under ORS 113.235. The  
3 information disclosed is confidential and may not be used by the State  
4 Treasurer for any other purpose. If the information disclosed is not prepared  
5 for the use of the Employment Department, the costs of disclosing the in-  
6 formation shall be paid by the State Treasurer.

7 “(5) The Employment Department may make public all decisions of the  
8 Employment Appeals Board.

9 “(6) Any officer appointed by or any employee of the Director of the  
10 Employment Department who discloses confidential information, except with  
11 the authority of the director, pursuant to rules or as otherwise required by  
12 law, may be disqualified from holding any appointment or employment with  
13 the Employment Department.

14 “(7) Any person or any officer or employee of an entity to whom infor-  
15 mation is disclosed by the Employment Department under this section who  
16 divulges or uses the information for any purpose other than that specified  
17 in the provision of law or agreement authorizing the use or disclosure may  
18 be disqualified from performing any service under contract or disqualified  
19 from holding any appointment or employment with the state agency that  
20 engaged or employed that person, officer or employee. The Employment De-  
21 partment may immediately cancel or modify any information sharing agree-  
22 ment with an entity when a person or an officer or employee of that entity  
23 discloses confidential information, other than as specified in law or agree-  
24 ment.

25 **“SECTION 367.** ORS 660.312 is amended to read:

26 “660.312. (1) The Governor shall be responsible for a coordinated and  
27 comprehensive response to education and workforce issues. The Governor  
28 shall appoint an Education and Workforce Policy Advisor, who serves at the  
29 pleasure of the Governor. The advisor shall, with the advice of such advisory  
30 committees as may be appointed or assigned, advise the Governor on policy,



1 planning and coordination for education and workforce development in  
2 Oregon.

3 “(2) The duties of the advisor shall include:

4 “(a) Guiding the development of state-level policy related to education  
5 and workforce issues;

6 “(b) Providing general direction and serving as a liaison between state  
7 and local efforts in education, training and workforce development;

8 “(c) Ensuring, through collaboration with the leadership of local  
9 workforce development boards, the alignment of statewide and local strategic  
10 plans, and the periodic reporting of performance in the implementation of  
11 such plans; and

12 “(d) Consulting with local workforce development boards on the develop-  
13 ment and implementation of a workforce performance measurement system.

14 “(3) In the performance of duties, the advisor shall collectively involve  
15 state agencies, including but not limited to:

16 “(a) The Department of Education;

17 “(b) The Higher Education Coordinating Commission;

18 “(c) The [*Oregon Business Development Department*] **Oregon Department  
19 of Commerce and Trade;**

20 “(d) The Employment Department;

21 “(e) The Department of Human Services;

22 “(f) The Bureau of Labor and Industries;

23 “(g) The Department of Corrections; and

24 “(h) The public universities with governing boards listed in ORS 352.054.

25 “(4) The advisor shall seek input from key interested parties to help guide  
26 policy development, including but not limited to representatives of:

27 “(a) Businesses and industry organizations;

28 “(b) Labor and labor organizations;

29 “(c) Local education providers, community colleges and other public and  
30 private post-secondary institutions of education and their governing boards;

1 “(d) Local government;  
2 “(e) Student, teacher, parent and faculty organizations;  
3 “(f) Community-based organizations;  
4 “(g) Public-private partnership organizations;  
5 “(h) Independent nonprofit and proprietary post-secondary colleges and  
6 schools; and

7 “(i) The State Workforce and Talent Development Board and local  
8 workforce development boards.

9 “(5) The advisor shall meet, on a regularly scheduled basis, with the local  
10 workforce development boards and such others as necessary to ensure that  
11 local interests are represented. The advisor shall seek input, advice and  
12 feedback on policy issues affecting state and local education and workforce  
13 development from interested parties and any advisory committees appointed  
14 or assigned under this section.

15 “(6) Pursuant to ORS chapter 183, the advisor may adopt rules necessary  
16 to carry out the duties of the advisor.

17 **“SECTION 368.** ORS 660.324 is amended to read:

18 “660.324. (1) The State Workforce and Talent Development Board shall  
19 identify:

20 “(a) Key industries in this state and the workforce skills needed for key  
21 industries to grow and thrive;

22 “(b) In collaboration with workforce representatives, needs for education,  
23 training, work experience, and job preparation to ensure Oregonians access  
24 to stable high-wage jobs and employment advancement; and

25 “(c) Opportunities for partnerships with key industry sectors to coordi-  
26 nate workforce development, economic development and education in re-  
27 sponse to industry and workforce needs.

28 “(2) The board shall assist the Governor in:

29 “(a) Developing Oregon’s workforce development system;

30 “(b) Ensuring timely consultation and collaboration with chief elected

1 officials, local workforce development boards and other workforce  
2 stakeholders, including but not limited to business and labor organizations  
3 and organizations working with persons with disabilities, persons living at  
4 or below 100 percent of the federal poverty guidelines and the chronically  
5 unemployed and underemployed;

6 “(c) Reviewing and approving local workforce plans;

7 “(d) Developing, as required by the federal Act, allocation formulas for  
8 the distribution of funds to local workforce development areas for adult em-  
9 ployment and training activities and for youth activities that are developed  
10 by the local workforce development boards;

11 “(e) Working with local workforce development boards to increase effi-  
12 ciencies and align workforce programs and services with local needs;

13 “(f) Recommending the duties and responsibilities of state agencies to  
14 implement the federal Act, to avoid conflicts of interest and to capitalize on  
15 the experience developed by workforce partners that are efficient and effec-  
16 tive at meeting the requirements of the federal Act;

17 “(g) Participating in the development of a coordinated statewide system  
18 of activities and services that includes both mandatory and optional partners  
19 of the one-stop delivery system, as provided in the federal Act;

20 “(h) Providing for the development, accountability and continuous im-  
21 provement of comprehensive workforce performance measures to assess the  
22 effectiveness of the workforce development activities in this state;

23 “(i) Developing a statewide employment statistics system, as described in  
24 section 15(e) of the Wagner-Peyser Act (29 U.S.C. 49L-2(e)); and

25 “(j) Preparing an annual report and submitting it to the United States  
26 Department of Labor.

27 “(3) The State Workforce and Talent Development Board, in partnership  
28 with the Governor, shall establish criteria for use by chief elected officials  
29 in appointing members to local workforce development boards in accordance  
30 with the requirements of section 3122 of the federal Workforce Innovation

1 and Opportunity Act. The State Workforce and Talent Development Board  
2 shall establish the following requirements:

3 “(a) To transact business at a meeting of a local workforce development  
4 board, a quorum of members must participate. A quorum shall consist of a  
5 majority of the members. At least 25 percent of the members participating  
6 must be representatives of business.

7 “(b) When appropriate and upon a request from the chief elected official  
8 of a county or the City of Portland, the State Workforce and Talent Devel-  
9 opment Board shall consider the county or the City of Portland to be a  
10 candidate for designation as a local workforce development area. The board  
11 shall consult with the county or the City of Portland before designating the  
12 county or the City of Portland as a local workforce development area. After  
13 considering the criteria in section 3121 of the federal Act for designating  
14 local workforce development areas, chief elected officials may submit a re-  
15 quest to the board to combine their units of government into a local  
16 workforce development area. The board shall make recommendations to the  
17 Governor about the designation of local workforce development areas. Only  
18 the Governor may designate local workforce development areas. The Gover-  
19 nor must show just cause for not designating a requested local workforce  
20 development area. A county or the City of Portland may submit an appeal  
21 to the board, as provided in section 3121 of the federal Act, if the Governor  
22 does not grant the county’s or the city’s request to designate a local  
23 workforce development area.

24 “(4) The State Workforce and Talent Development Board shall provide  
25 guidance and direction to local workforce development boards in the devel-  
26 opment of local workforce plans. The State Workforce and Talent Develop-  
27 ment Board shall adopt policies that:

28 “(a) Require each local workforce development board, in partnership with  
29 its chief elected officials and in accordance with section 3123 of the federal  
30 Act, to develop and submit to the Governor and the State Workforce and

1 Talent Development Board a strategic local workforce plan that includes, but  
2 is not limited to, performance goals; and

3 “(b) Permit each local workforce development board, in consultation with  
4 its chief elected officials:

5 “(A) To determine, consistent with the requirements of the federal Act,  
6 the appropriate level of services based on the workforce needs in the local  
7 workforce development area; and

8 “(B) To designate or certify one-stop operators and to terminate for cause  
9 the eligibility of such operators.

10 “(5) The State Workforce and Talent Development Board may charter and  
11 enter into performance compacts with local workforce development boards.

12 “(6) The State Workforce and Talent Development Board shall:

13 “(a) Function as the primary advisory committee to the Employment De-  
14 partment in conjunction with the Employment Department Advisory Council  
15 established under ORS 657.695;

16 “(b) Collaborate with other advisory bodies also tasked with workforce  
17 development, including but not limited to the Oregon State Rehabilitation  
18 Council, the Commission for the Blind, the State Apprenticeship and Train-  
19 ing Council and the Higher Education Coordinating Commission;

20 “(c) Work with the [*Oregon Business Development Commission*] **Oregon**  
21 **Commerce and Trade Commission** to identify areas of common interest  
22 to efficiently align resources, recommend common strategies and provide ac-  
23 countability for reaching statewide goals; and

24 “(d) Hold state workforce agencies and local workforce development  
25 boards accountable for meeting performance goals and system outcomes.

26 “(7) The State Workforce and Talent Development Board shall convene,  
27 engage and coordinate with senior executives of identified key industries in  
28 this state, the [*Oregon Business Development Commission*] **Oregon Com-**  
29 **merce and Trade Commission**, the Higher Education Coordinating Com-  
30 mission, the Department of Education, the Bureau of Labor and Industries,

1 the STEM Investment Council, local workforce development boards, the  
2 Employment Department, the Department of Human Services, the Commis-  
3 sion for the Blind, the Youth Development Council and any other partners  
4 from training or workforce development entities in this state to:

5 “(a) Determine needs across identified key industries in this state, in-  
6 cluding challenges and opportunities in developing and growing relevant  
7 talent pipelines;

8 “(b) Ensure that the talent pipeline development infrastructure includes:

9 “(A) A listening process to collect workforce needs of employers from  
10 identified key industries in this state;

11 “(B) Curriculum alignment for high-demand occupation skill needs;

12 “(C) Prediction and monitoring of national trends relating to high-demand  
13 industries and occupations;

14 “(D) Occupation-aligned education and training options with a clearly  
15 articulated progression;

16 “(E) Skills assessments; and

17 “(F) Academic career counseling;

18 “(c) Utilize sector partnerships to:

19 “(A) Advise the development of career pathway programs for critical oc-  
20 cupations in identified key industries in this state; and

21 “(B) Ensure the coordination of education, economic development, busi-  
22 ness and workforce initiatives between key partners to develop a strong tal-  
23 ent pipeline;

24 “(d) Leverage and optimize existing measures and data systems to improve  
25 systems alignment and interagency communication; and

26 “(e) Ensure state alignment and coordination between industry sector  
27 partnerships and initiatives in the local workforce development areas.

28 “(8)(a) Every biennium, the State Workforce and Talent Development  
29 Board shall coordinate and collaborate with entities listed under subsection  
30 (7) of this section to create a single, unified state Workforce and Talent

1 Development Plan.

2 “(b) The Workforce and Talent Development Plan must include:

3 “(A) A strategy, with quantitative goals, for the statewide workforce de-  
4 velopment system for the State of Oregon in accordance with section 3111  
5 of the federal Workforce Innovation and Opportunity Act;

6 “(B) Quantifiable goals designed to promote Oregonians’ self-sufficiency  
7 and that will empower Oregonians to gain independence from public assist-  
8 ance and move up the socioeconomic ladder;

9 “(C) Expectations for performance and the priorities for delivery of ser-  
10 vices to local workforce development boards and state workforce agencies;

11 “(D) Industry-based information and data from the Employment Depart-  
12 ment and other agencies and entities listed in subsection (7) of this section  
13 related to talent needs and gaps;

14 “(E) Analysis of data regarding the skills required for identified key in-  
15 dustry jobs;

16 “(F) Information regarding the status of career pathway programs tar-  
17 geted at identified key industries in this state;

18 “(G) Recommendations related to advancing talent pipeline and career  
19 pathways development based on the identified talent issues and trends;

20 “(H) Recommendations regarding the alignment and consistency of data  
21 nomenclature, collection practices and data sharing;

22 “(I) Utilization and, as appropriate, expansion of existing data-sharing  
23 agreements between agencies and partners;

24 “(J) Identification of talent issues and trends related to identified key  
25 industries in this state that are in strategic alignment with state and local  
26 workforce and economic priorities;

27 “(K) Identification and prioritization of the urgent talent gaps of identi-  
28 fied key industries in this state;

29 “(L) A response to immediate talent needs through the creation of addi-  
30 tional opportunities for Oregonians to pursue education and training in dis-

1 ciplines critical to the advancement of identified key industries in this state;

2 “(M) Ways to strengthen efforts to enhance student work experience and  
3 job preparedness in high-demand and critical occupations;

4 “(N) New means of delivering workforce training and proficiency-based  
5 education to enhance program efficiency, upgrading and sharing resources  
6 and facilities and improving student outcomes and access to typically  
7 underrepresented populations while meeting talent needs of traded sector and  
8 high growth industries; and

9 “(O) Ways to increase the skills of the existing professional and technical  
10 workforce, including the issuance of certifications, badges and industry-based  
11 credentials.

12 “(c) The State Workforce and Talent Development Board shall:

13 “(A) Update the plan every biennium; and

14 “(B) Submit a report about the plan every year to:

15 “(i) The Governor; and

16 “(ii) The Legislative Assembly in the manner provided by ORS 192.245.

17 **“SECTION 369.** ORS 660.364 is amended to read:

18 “660.364. The [*Oregon Business Development Department*] **Oregon De-**  
19 **partment of Commerce and Trade**, in consultation with the State  
20 Workforce and Talent Development Board, shall:

21 “(1) Develop criteria for existing investments and new or expanded fi-  
22 nancial incentives and comprehensive strategies to recruit, retain and expand  
23 green economy industries, including but not limited to forest products in-  
24 dustries as defined in ORS 660.358, and small businesses.

25 “(2) Make recommendations for new or expanded financial incentives and  
26 comprehensive strategies to stimulate research and development of green  
27 technology and innovation.

28 **“SECTION 370.** ORS 759.405 is amended to read:

29 “759.405. (1) A telecommunications carrier may elect to be subject to this  
30 section and ORS 759.410. The telecommunications carrier shall notify, in



1 writing, the Public Utility Commission of its election. Such election shall  
2 be effective 30 days after the written notification is received by the Public  
3 Utility Commission. A telecommunications carrier that elects to be subject  
4 to this section and ORS 759.410 shall be subject to the infrastructure in-  
5 vestment and price regulation requirements of this section and ORS 759.410  
6 and shall not be subject to any other regulation based on earnings, rates or  
7 rate of return.

8 “(2) A telecommunications carrier that elects to be subject to this section  
9 and ORS 759.410 shall establish in its accounts a Telecommunications  
10 Infrastructure Account. The telecommunications carrier shall commit to its  
11 Telecommunications Infrastructure Account over a four-year period amounts  
12 totaling 20 percent of the telecommunications carrier’s gross regulated  
13 intrastate revenue for the calendar year immediately prior to the year the  
14 telecommunications carrier elects to be subject to this section and ORS  
15 759.410. Of the total committed amount, 30 percent shall be credited to and  
16 made available for the purposes of the electing carrier’s account on the date  
17 the telecommunications carrier’s election becomes effective. An electing  
18 telecommunications carrier shall credit an equal amount on the same date  
19 in the next following year. The electing carrier shall credit to its Telecom-  
20 munications Infrastructure Account an amount equal to 20 percent of the  
21 total committed amount on the same date in each of the next following two  
22 years.

23 “(3)(a) A telecommunications carrier that elects to be subject to this  
24 section and ORS 759.410 shall expend the moneys in the telecommunications  
25 carrier’s Telecommunications Infrastructure Account on a plan or plans ap-  
26 proved by the [*Oregon Business Development Commission*] **Oregon Com-**  
27 **merce and Trade Commission** under ORS 759.430. Subject to paragraphs  
28 (c) and (d) of this subsection, the total amount of capital and other expenses  
29 associated with completing the projects shall equal the total amount of  
30 moneys available in the account.

1 “(b) Moneys in the account shall be used primarily to ensure that rural  
2 and urban Oregonians have improved access to telecommunications technol-  
3 ogy and services. Expenditures from the account shall be used for investment  
4 in telecommunications infrastructure and deployment of new and advanced  
5 telecommunications services.

6 “(c)(A) Within 120 days following the effective date of a telecommuni-  
7 cations carrier’s election to be regulated under this section and ORS 759.410,  
8 but not later than January 1 of the year following the effective date of a  
9 telecommunications carrier’s election, and on the same date in each of the  
10 next following three years, a telecommunications carrier serving less than  
11 one million access lines in Oregon shall transfer 40 percent of the moneys  
12 most recently credited to its Telecommunications Infrastructure Account to  
13 the Connecting Oregon Communities Fund established under ORS 759.445.

14 “(B) Within 120 days following the effective date of a telecommunications  
15 carrier’s election to be regulated under this section and ORS 759.410, but not  
16 later than January 1 of the year following the effective date of a telecom-  
17 munications carrier’s election, and on the same date in the next following  
18 year, a telecommunications carrier serving one million or more access lines  
19 in Oregon shall transfer 70 percent of the moneys most recently credited to  
20 its Telecommunications Infrastructure Account to the Connecting Oregon  
21 Communities Fund established under ORS 759.445.

22 “(d) Notwithstanding ORS 285A.075 (2), if the [*Oregon Business Develop-*  
23 *ment Commission*] **Oregon Commerce and Trade Commission** determines,  
24 following notice and a public hearing, that the telecommunications carrier  
25 is not complying with plans or plan modifications approved under ORS  
26 759.430, following notice to the telecommunications carrier and reasonable  
27 opportunity to cure any noncompliance, the [*Oregon Business Development*  
28 *Commission*] **Oregon Commerce and Trade Commission** may require the  
29 telecommunications carrier to transfer any or all moneys remaining in the  
30 carrier’s Telecommunications Infrastructure Account, and any future

1 amounts credited to the account, to the Connecting Oregon Communities  
2 Fund established under ORS 759.445.

3 “(4) Nothing in this section affects the authority of a city or municipality  
4 to manage the public rights of way or to require fair and reasonable com-  
5 pensation from a telecommunications carrier, on a competitively neutral and  
6 nondiscriminatory basis, under ORS 221.420, 221.450, 221.510 and 221.515.

7 **“SECTION 371. Section 10, chapter 17, Oregon Laws 2020 (first spe-  
8 cial session), is repealed.**

9 **“SECTION 372.** ORS 759.425, as amended by section 3, chapter 17, Oregon  
10 Laws 2020 (first special session), is amended to read:

11 “759.425. (1)(a) The Public Utility Commission shall establish and imple-  
12 ment a competitively neutral and nondiscriminatory universal service fund.  
13 The commission shall:

14 **“(A) Use the universal service fund to ensure basic telephone service is  
15 available at a reasonable and affordable rate; and**

16 **“(B) Transfer from the universal service fund to the Oregon De-  
17 partment of Commerce and Trade for deposit in the Broadband Fund  
18 established under ORS 285A.167 an amount per year that is equal to  
19 the lesser of:**

20 **“(i) \$5 million; or**

21 **“(ii) The remainder of moneys deposited in the universal service  
22 fund that are unobligated after making the designation required in  
23 paragraph (b) of this subsection.**

24 “(b) The commission shall designate the amount of moneys deposited an-  
25 nually in the universal service fund to be used to ensure basic telephone  
26 service. The amount designated under this paragraph may not exceed \$28  
27 million per year.

28 “(c) The commission may:

29 **“(A) Adopt rules to conform the universal service fund to section 254 of  
30 the federal Telecommunications Act of 1996 (P.L. 104-104), and to related**

1 regulations adopted by the Federal Communications Commission, to the extent that the Public Utility Commission determines conforming the rules is  
2 appropriate; and

4 “(B) In addition to using the universal service fund to ensure basic telephone service, use the universal service fund to encourage broadband service  
5 availability and to provide support to telecommunications carriers that provide both basic telephone service and broadband service.  
6  
7

8 “(2)(a) The commission shall establish the price a telecommunications utility may charge its customers for basic telephone service. The commission  
9 shall periodically review and evaluate the status of telecommunications services in the state and designate the services included in basic telephone  
10 service. The commission shall periodically review and adjust as necessary the price a telecommunications utility may charge for basic telephone service.  
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15 “(b) The provisions of this subsection do not apply to the basic telephone service provided by a telecommunications utility described in ORS 759.040.  
16

17 “(3)(a) The commission shall establish a benchmark for basic telephone service as necessary for the administration and distribution of the universal  
18 service fund. The universal service fund shall provide explicit support to an eligible telecommunications carrier that is equal to the difference between  
19 the cost of providing basic telephone service and the benchmark, less any explicit compensation received by the telecommunications carrier from federal  
20 sources specifically used to recover local loop costs and less any explicit support received by the telecommunications carrier from a federal universal  
21 service program.  
22  
23  
24  
25

26 “(b) The commission shall periodically review the benchmark established under paragraph (a) of this subsection and adjust the benchmark as necessary to reflect:  
27  
28

29 “(A) Changes in competition in the telecommunications industry;

30 “(B) Changes in federal universal service support; and

1       “(C) Other relevant factors as determined by the commission.

2       “(c) Except for a telecommunications utility described in ORS 759.040, the  
3 commission shall seek to limit the difference between the price a telecom-  
4 munications utility may charge for basic telephone service and the  
5 benchmark.

6       “(4)(a) There is imposed a universal service surcharge on the sale in this  
7 state of all:

8       “(A) Retail telecommunications services;

9       “(B) Retail commercial mobile radio services; and

10       “(C) Retail interconnected voice over internet protocol services.

11       “(b) A retail commercial mobile radio service provider shall identify the  
12 intrastate revenues subject to the universal service surcharge based on the  
13 inverse of the percentage of interstate revenues utilized for purposes of fed-  
14 eral universal service contributions or based on any other method approved  
15 by the Public Utility Commission. A retail commercial mobile radio service  
16 provider may rely upon the sourcing rules set forth in the Mobile Telecom-  
17 munications Sourcing Act (P.L. 106-252) to identify revenues attributable to  
18 Oregon.

19       “(c) A retail interconnected voice over internet protocol service provider  
20 may identify, in accordance with federal guidelines, the intrastate revenues  
21 subject to the universal service surcharge based on any one of the following:

22       “(A) The inverse of the interstate safe harbor percentage established by  
23 the Federal Communications Commission for interconnected voice over  
24 internet protocol service for federal universal service contribution purposes,  
25 as the interstate safe harbor percentage may be revised from time to time;

26       “(B) A traffic study specific to the interconnected voice over internet  
27 protocol service provider that allocates revenues between federal and state  
28 jurisdictions; or

29       “(C) Another methodology for accurately apportioning interconnected  
30 voice over internet protocol service revenues between federal and state ju-

1 jurisdictions.

2 “(d) For any service provider subject to the universal service surcharge  
3 that provides, to multiple locations, shared simultaneous voice channel ca-  
4 pacity configured to provide local dial in different states, the revenue subject  
5 to the surcharge shall be only the portion of the shared capacity in this state  
6 as identified:

7 “(A) By information itemizing, on the billing statements provided to cus-  
8 tomers, the charges subject to the surcharge, as may be identified by indi-  
9 vidual end-user location, the total number of end users and the number of  
10 end users at each end-user location; or

11 “(B) If information described in subparagraph (A) of this paragraph does  
12 not exist, by the service provider’s billing system books and records.

13 “(e) Unless otherwise provided by the Public Utility Commission by rule,  
14 the universal service surcharge must be a uniform percentage of the sale of  
15 services subject to the surcharge in an amount sufficient to support the  
16 purposes of the universal service fund established under subsection (1) of this  
17 section, provided that the percentage does not exceed six percent of the sale  
18 of services subject to the surcharge.

19 “(f) The universal service surcharge may be listed by a telecommuni-  
20 cations carrier as a separate line item in billing statements provided to  
21 customers, as prescribed by the commission by rule or order. The commission  
22 may not prescribe whether, or the manner by which, a commercial mobile  
23 radio services provider or an interconnected voice over internet protocol  
24 services provider may list the surcharge in billing statements provided to  
25 customers.

26 “(g) A service provider required to collect the universal service surcharge  
27 shall:

28 “(A) Transmit amounts collected pursuant to this section to the commis-  
29 sion in accordance with a schedule adopted by the commission; and

30 “(B) Provide the commission with information requested by the commis-

1 sion as necessary for the commission to implement this section.

2 “(5) The commission shall deposit moneys transmitted to the commission  
3 pursuant to subsection (4) of this section in the universal service fund es-  
4 tablished under subsection (1) of this section.

5 “(6) The universal service fund established under subsection (1) of this  
6 section is separate and distinct from the General Fund. The universal service  
7 fund shall consist of all universal service surcharge moneys collected by  
8 service providers required to collect the surcharge and transmitted to the  
9 commission for deposit in the universal service fund. The universal service  
10 fund may be used only for the purposes described in this section and for  
11 payment of expenses incurred by the commission or a third party appointed  
12 by the commission to administer this section. All moneys in the universal  
13 service fund are continuously appropriated to the commission to carry out  
14 the provisions of this section. Interest on moneys deposited in the universal  
15 service fund shall accrue to the universal service fund.

16 “(7) A pay telephone provider may apply to the commission, on a form  
17 developed by the commission, for a refund of the universal service surcharge  
18 imposed on the pay telephone provider under subsection (4) of this section  
19 for the provision of pay telephone service.

20 “(8) Nothing in this section is intended to grant the commission the au-  
21 thority to impose any requirement or condition, or to exercise any regulatory  
22 authority, with respect to commercial mobile radio services or intercon-  
23 nected voice over internet protocol services other than as expressly provided  
24 for in this section.

25 **“SECTION 373.** ORS 759.425, as amended by section 3, chapter 17, Oregon  
26 Laws 2020 (first special session), and section 372 of this 2025 Act, is amended  
27 to read:

28 “759.425. (1)(a) The Public Utility Commission shall establish and imple-  
29 ment a competitively neutral and nondiscriminatory universal service fund.  
30 The commission shall[:]

1        “[A] use the universal service fund to ensure basic telephone service is  
2 available at a reasonable and affordable rate.[: and]

3        “[B] *Transfer from the universal service fund to the Oregon Department*  
4 *of Commerce and Trade for deposit in the Broadband Fund established under*  
5 *ORS 285A.167 an amount per year that is equal to the lesser of:]*

6        “[i] \$5 million; or]

7        “[ii] *The remainder of moneys deposited in the universal service fund that*  
8 *are unobligated after making the designation required in paragraph (b) of this*  
9 *subsection.]*

10        “(b) The commission shall designate the amount of moneys deposited an-  
11 nually in the universal service fund to be used to ensure basic telephone  
12 service. The amount designated under this paragraph may not exceed \$28  
13 million per year.

14        “(c) The commission may:

15        “(A) Adopt rules to conform the universal service fund to section 254 of  
16 the federal Telecommunications Act of 1996 (P.L. 104-104), and to related  
17 regulations adopted by the Federal Communications Commission, to the ex-  
18 tent that the Public Utility Commission determines conforming the rules is  
19 appropriate; and

20        “(B) In addition to using the universal service fund to ensure basic tele-  
21 phone service, use the universal service fund to encourage broadband service  
22 availability and to provide support to telecommunications carriers that pro-  
23 vide both basic telephone service and broadband service.

24        “(2)(a) The commission shall establish the price a telecommunications  
25 utility may charge its customers for basic telephone service. The commission  
26 shall periodically review and evaluate the status of telecommunications ser-  
27 vices in the state and designate the services included in basic telephone  
28 service. The commission shall periodically review and adjust as necessary  
29 the price a telecommunications utility may charge for basic telephone ser-  
30 vice.



1       “(b) The provisions of this subsection do not apply to the basic telephone  
2 service provided by a telecommunications utility described in ORS 759.040.

3       “(3)(a) The commission shall establish a benchmark for basic telephone  
4 service as necessary for the administration and distribution of the universal  
5 service fund. The universal service fund shall provide explicit support to an  
6 eligible telecommunications carrier that is equal to the difference between  
7 the cost of providing basic telephone service and the benchmark, less any  
8 explicit compensation received by the telecommunications carrier from fed-  
9 eral sources specifically used to recover local loop costs and less any explicit  
10 support received by the telecommunications carrier from a federal universal  
11 service program.

12       “(b) The commission shall periodically review the benchmark established  
13 under paragraph (a) of this subsection and adjust the benchmark as neces-  
14 sary to reflect:

15       “(A) Changes in competition in the telecommunications industry;

16       “(B) Changes in federal universal service support; and

17       “(C) Other relevant factors as determined by the commission.

18       “(c) Except for a telecommunications utility described in ORS 759.040, the  
19 commission shall seek to limit the difference between the price a telecom-  
20 munications utility may charge for basic telephone service and the  
21 benchmark.

22       “(4)(a) There is imposed a universal service surcharge on the sale in this  
23 state of all:

24       “(A) Retail telecommunications services;

25       “(B) Retail commercial mobile radio services; and

26       “(C) Retail interconnected voice over internet protocol services.

27       “(b) A retail commercial mobile radio service provider shall identify the  
28 intrastate revenues subject to the universal service surcharge based on the  
29 inverse of the percentage of interstate revenues utilized for purposes of fed-  
30 eral universal service contributions or based on any other method approved

1 by the Public Utility Commission. A retail commercial mobile radio service  
2 provider may rely upon the sourcing rules set forth in the Mobile Telecom-  
3 munications Sourcing Act (P.L. 106-252) to identify revenues attributable to  
4 Oregon.

5 “(c) A retail interconnected voice over internet protocol service provider  
6 may identify, in accordance with federal guidelines, the intrastate revenues  
7 subject to the universal service surcharge based on any one of the following:

8 “(A) The inverse of the interstate safe harbor percentage established by  
9 the Federal Communications Commission for interconnected voice over  
10 internet protocol service for federal universal service contribution purposes,  
11 as the interstate safe harbor percentage may be revised from time to time;

12 “(B) A traffic study specific to the interconnected voice over internet  
13 protocol service provider that allocates revenues between federal and state  
14 jurisdictions; or

15 “(C) Another methodology for accurately apportioning interconnected  
16 voice over internet protocol service revenues between federal and state ju-  
17 risdictions.

18 “(d) For any service provider subject to the universal service surcharge  
19 that provides, to multiple locations, shared simultaneous voice channel ca-  
20 pacity configured to provide local dial in different states, the revenue subject  
21 to the surcharge shall be only the portion of the shared capacity in this state  
22 as identified:

23 “(A) By information itemizing, on the billing statements provided to cus-  
24 tomers, the charges subject to the surcharge, as may be identified by indi-  
25 vidual end-user location, the total number of end users and the number of  
26 end users at each end-user location; or

27 “(B) If information described in subparagraph (A) of this paragraph does  
28 not exist, by the service provider’s billing system books and records.

29 “(e) Unless otherwise provided by the Public Utility Commission by rule,  
30 the universal service surcharge must be a uniform percentage of the sale of

1 services subject to the surcharge in an amount sufficient to support the  
2 purposes of the universal service fund established under subsection (1) of this  
3 section, provided that the percentage does not exceed six percent of the sale  
4 of services subject to the surcharge.

5 “(f) The universal service surcharge may be listed by a telecommuni-  
6 cations carrier as a separate line item in billing statements provided to  
7 customers, as prescribed by the commission by rule or order. The commission  
8 may not prescribe whether, or the manner by which, a commercial mobile  
9 radio services provider or an interconnected voice over internet protocol  
10 services provider may list the surcharge in billing statements provided to  
11 customers.

12 “(g) A service provider required to collect the universal service surcharge  
13 shall:

14 “(A) Transmit amounts collected pursuant to this section to the commis-  
15 sion in accordance with a schedule adopted by the commission; and

16 “(B) Provide the commission with information requested by the commis-  
17 sion as necessary for the commission to implement this section.

18 “(5) The commission shall deposit moneys transmitted to the commission  
19 pursuant to subsection (4) of this section in the universal service fund es-  
20 tablished under subsection (1) of this section.

21 “(6) The universal service fund established under subsection (1) of this  
22 section is separate and distinct from the General Fund. The universal service  
23 fund shall consist of all universal service surcharge moneys collected by  
24 service providers required to collect the surcharge and transmitted to the  
25 commission for deposit in the universal service fund. The universal service  
26 fund may be used only for the purposes described in this section and for  
27 payment of expenses incurred by the commission or a third party appointed  
28 by the commission to administer this section. All moneys in the universal  
29 service fund are continuously appropriated to the commission to carry out  
30 the provisions of this section. Interest on moneys deposited in the universal

1 service fund shall accrue to the universal service fund.

2 “(7) A pay telephone provider may apply to the commission, on a form  
3 developed by the commission, for a refund of the universal service surcharge  
4 imposed on the pay telephone provider under subsection (4) of this section  
5 for the provision of pay telephone service.

6 “(8) Nothing in this section is intended to grant the commission the au-  
7 thority to impose any requirement or condition, or to exercise any regulatory  
8 authority, with respect to commercial mobile radio services or intercon-  
9 nected voice over internet protocol services other than as expressly provided  
10 for in this section.

11 **“SECTION 374. The amendments to ORS 759.425 by section 373 of**  
12 **this 2025 Act become operative on January 2, 2030.**

13 **“SECTION 375.** ORS 759.430 is amended to read:

14 “759.430. (1)(a) Notwithstanding ORS 285A.075 (2), the [*Oregon Business*  
15 *Development Commission*] **Oregon Commerce and Trade Commission** shall  
16 approve plans and plan modifications for projects funded by a telecommuni-  
17 cations carrier’s Telecommunications Infrastructure Account established un-  
18 der ORS 759.405. Projects funded from a telecommunications carrier’s  
19 Telecommunications Infrastructure Account shall be completed by the car-  
20 rier and shall be substantially for the benefit of the carrier’s customers.  
21 Plans approved by the commission must be consistent with the purpose of the  
22 fund as described in ORS 759.405. The commission shall give priority to  
23 projects that provide increased bandwidth between communities, route di-  
24 versity and access to advanced telecommunications services in an expedited  
25 manner. The commission shall seek to ensure that an approved project is the  
26 most technically appropriate means of addressing the circumstances pre-  
27 sented in a project plan. The commission shall review recommendations and  
28 analysis from the Connecting Oregon Communities Advisory Board estab-  
29 lished in subsection (2) of this section prior to approving a plan. Project  
30 plans may be submitted by local communities including but not limited to

1 local governments, community institutions, citizen groups, public and private  
2 educational institutions and business groups.

3 “(b) Under the policies and guidance of the commission, the [*Oregon*  
4 *Business Development Department*] **Oregon Department of Commerce and**  
5 **Trade** shall adopt rules for the submission of project plans by telecommuni-  
6 cations carriers and other persons, including criteria for approval of such  
7 plans. The rules shall include criteria to determine if the telecommunications  
8 carrier reasonably should be expected to make the investment based on an  
9 economic analysis of the project. Projects that are determined to meet the  
10 criteria but are not economically self-supporting or would not be undertaken  
11 in the time frame proposed shall be given priority over similar projects that  
12 would be economically self-supporting or likely would be completed in the  
13 time frame proposed. The rules shall provide for review of the economic  
14 benefits of the proposed plan to the affected community and the potential for  
15 the proposed plan to leverage other funding sources including but not limited  
16 to federal, state and private sources.

17 “(c) The commission also shall approve expenditures from the Public Ac-  
18 cess Account of the Connecting Oregon Communities Fund established in  
19 ORS 759.445 (4).

20 “(2) There is established within the [*Oregon Business Development De-*  
21 *partment*] **Oregon Department of Commerce and Trade** the Connecting  
22 Oregon Communities Advisory Board consisting of five members appointed  
23 by the commission. The commission shall seek advice from the Governor  
24 prior to making an appointment to the advisory board.

25 “(3) There shall be one member of the advisory board from each of the  
26 following areas:

27 “(a) Eastern Oregon, including Hood River County;

28 “(b) Central Oregon;

29 “(c) Southern Oregon;

30 “(d) Coastal Oregon; and

1       “(e) The Willamette Valley.

2       “(4) Employees of the Public Utility Commission, employees of state or  
3 local government who are responsible for purchasing telecommunications  
4 services or equipment and employees of a telecommunications carrier may  
5 not be appointed to the advisory board.

6       “(5) The advisory board shall select one of its members as chairperson and  
7 another of its members as vice chairperson, for such terms and with duties  
8 and powers necessary for the performance of the functions of those offices  
9 as the board determines.

10       “(6) The purpose of the advisory board is to review and make recommen-  
11 dations to the [*Oregon Business Development Commission*] **Oregon Com-**  
12 **merce and Trade Commission** for approval of and modifications to projects  
13 funded by a telecommunications carrier’s Telecommunications Infrastructure  
14 Account under this section and ORS 759.405. The advisory board shall seek  
15 advice and comment on plans submitted by a telecommunications carrier  
16 from affected local communities including but not limited to local govern-  
17 ments, citizens and businesses. The advisory board also shall seek advice and  
18 comment from state and federal agencies when appropriate to ensure that  
19 investments will maximize statewide public benefits and are consistent with  
20 the needs and desires of the local communities. The advisory board shall  
21 consider the needs of and impact on education, health care, economic devel-  
22 opment and the delivery of state and local governmental services when  
23 evaluating a plan.

24       “(7) The advisory board also shall review proposals submitted to the  
25 commission under ORS 759.445 (5) and make recommendations to the com-  
26 mission regarding approval, modification or denial of the proposals.

27       “(8) The advisory board shall make an annual report to the Joint Legis-  
28 lative Committee on Information Management and Technology on the plans  
29 and activities funded under ORS 759.405 and 759.445 (5).

30       “(9)(a) Reasonable expenses incurred by the members of the advisory

1 board in the performance of their duties, costs of the [*Oregon Business De-*  
2 *velopment Department*] **Oregon Department of Commerce and Trade** di-  
3 rectly related to providing staff to the advisory board and costs to the  
4 department for providing technical assistance to local communities shall be  
5 paid out of the Telecommunications Infrastructure Accounts created under  
6 ORS 759.405.

7 “(b) Following the transfer of funds required under ORS 759.405 (2) and  
8 (3), a telecommunications carrier that elects to be subject to regulation un-  
9 der ORS 759.405 and 759.410 shall transfer from the remaining funds in its  
10 Telecommunications Infrastructure Account the following amounts to the  
11 [*Oregon Business Development Department*] **Oregon Department of Com-**  
12 **merce and Trade** to be used for the payment of expenses described in par-  
13 agraph (a) of this subsection:

14 “(A) \$575,000 in 2000;

15 “(B) \$325,000 in 2001;

16 “(C) \$325,000 in 2002; and

17 “(D) \$325,000 in 2003.

18 “(c) If more than one telecommunications carrier elects to be subject to  
19 regulation under ORS 759.405 and 759.410, the funding requirements de-  
20 scribed in paragraph (b) of this subsection shall be distributed pro rata  
21 among the electing carriers.

22 “**SECTION 376.** ORS 759.435 is amended to read:

23 “759.435. (1) The [*Oregon Business Development Department*] **Oregon De-**  
24 **partment of Commerce and Trade**, in collaboration with affected tele-  
25 communications carriers, the Connecting Oregon Communities Advisory  
26 Board, representatives of local communities and other members of the public  
27 interested in improved telecommunications services, shall conduct an as-  
28 sessment of telecommunications infrastructure and community telecommuni-  
29 cations needs in local communities and across the various regions of this  
30 state. The assessment shall include:

1       “(a) The type of telecommunications services and technology, including  
2 infrastructure, already deployed within communities and regions;

3       “(b) The type of telecommunications technology and services desired by  
4 communities within regions;

5       “(c) The competitiveness of the local telecommunications market, includ-  
6 ing a list of all telecommunications carriers and Internet service providers;

7       “(d) The economic significance of desired telecommunications invest-  
8 ments;

9       “(e) Community and regional priority lists for telecommunications  
10 infrastructure and service investments;

11       “(f) The ability of qualified public and nonprofit users within the com-  
12 munity or region to aggregate demand for telecommunications services and  
13 the benefits of such aggregation;

14       “(g) The estimated costs and implementation schedule of desired or pro-  
15 posed telecommunications investments;

16       “(h) An analysis of state, federal, nonprofit and private sources of funding  
17 for the proposed improvements;

18       “(i) The ability of the investment to be self-supporting; and

19       “(j) The ability of a community or region to make the investments nec-  
20 essary to connect to the Oregon Enterprise Network, and the local and  
21 statewide benefits of such investments.

22       “(2)(a) To the maximum extent practicable, the assessment shall recognize  
23 and include existing state, regional and local plans and information. The  
24 department may use its own staff or may contract with third parties to  
25 conduct the assessment.

26       “(b) A copy of the assessment shall be submitted to the [*Oregon Business*  
27 *Development Commission*] **Oregon Commerce and Trade Commission** and  
28 to the Joint Legislative Committee on Information Management and Tech-  
29 nology. The commission shall consider the information contained in the re-  
30 port when adopting or amending the rules required under ORS 759.430 (1).



1 “(3) The commission shall not approve plans under ORS 759.430 (1) until  
2 the commission has received the assessment required under this section. The  
3 department shall report to the Joint Legislative Committee on Information  
4 Management and Technology on implementation of ORS 759.430 to 759.445  
5 prior to the approval of project plans under ORS 759.430 (1).

6 **“SECTION 377.** ORS 759.440 is amended to read:

7 “759.440. The [*Oregon Business Development Department*] **Oregon De-**  
8 **partment of Commerce and Trade** may request approval from the Emer-  
9 gency Board for the transfer of additional funds from a telecommunications  
10 carrier’s Telecommunications Infrastructure Account created under ORS  
11 759.405 for the purpose of providing technical assistance to the department  
12 and the [*Oregon Business Development Commission*] **Oregon Commerce and**  
13 **Trade Commission** in evaluating project plans submitted under ORS  
14 759.430. If the request is approved, the commission by order may direct the  
15 transfer of funds from a telecommunications carrier’s Telecommunications  
16 Infrastructure Account to the [*Oregon Business Development Department*]  
17 **Oregon Department of Commerce and Trade.** The department may not  
18 request and the Emergency Board shall not approve a request or requests in  
19 excess of \$100,000 per year.

20 **“SECTION 378.** ORS 759.445 is amended to read:

21 “759.445. (1) There is established in the State Treasury, separate and dis-  
22 tinct from the General Fund, the Connecting Oregon Communities Fund.  
23 Moneys in the fund shall consist of amounts deposited in the fund under ORS  
24 759.405 and any other moneys deposited by a telecommunications carrier that  
25 elects to be subject to ORS 759.405 and 759.410, including amounts deposited  
26 pursuant to a performance assurance plan implemented by a telecommuni-  
27 cations carrier in connection with an application under 47 U.S.C. 271, as in  
28 effect on January 1, 2002. Interest earned on moneys in the fund shall accrue  
29 to the fund. Moneys in the fund may be invested as provided in ORS 293.701  
30 to 293.857. Moneys in the fund shall be used to provide access to advanced

1 telecommunications technology in elementary schools and high schools, col-  
2 leges and universities, community colleges, public television corporations,  
3 rural health care providers, public libraries and other eligible persons.

4 “(2) Two dedicated accounts shall be established within the Connecting  
5 Oregon Communities Fund for purposes of supporting education and public  
6 access to advanced telecommunications services. The first \$25 million of the  
7 moneys deposited in the Connecting Oregon Communities Fund in both 2000  
8 and 2001 shall be appropriated to the School Technology Account established  
9 under subsection (3) of this section. Except as provided in subsection (8) of  
10 this section, any additional moneys available in the fund shall be appropri-  
11 ated to the Public Access Account established under subsection (4) of this  
12 section.

13 “(3) There is established the School Technology Account within the Con-  
14 necting Oregon Communities Fund. The purpose of the School Technology  
15 Account is to improve access to advanced telecommunications services for  
16 students attending public school in kindergarten through grade 12. Moneys  
17 in the account shall be expended as provided in section 34, chapter 1093,  
18 Oregon Laws 1999.

19 “(4)(a) There is established the Public Access Account within the Con-  
20 necting Oregon Communities Fund. The purpose of the Public Access Ac-  
21 count is to improve access to advanced telecommunications services for  
22 community colleges, universities, public libraries and rural health care pro-  
23 viders.

24 “(b) If funding has not been provided from other sources, the first \$3  
25 million available in the Public Access Account shall be transferred to the  
26 Higher Education Coordinating Commission for the purpose of funding the  
27 Oregon Wide Area Network project to provide and expand Internet access  
28 for public universities listed in ORS 352.002.

29 “(c) Following the transfer of funds described in paragraph (b) of this  
30 subsection, the next \$1 million available in the Public Access Account shall

1 be transferred to the Higher Education Coordinating Commission for Oregon  
2 State University for the purpose of providing virtual access to persons with  
3 disabilities.

4 “(d) Following the transfer of funds as described in paragraphs (b) and (c)  
5 of this subsection, the next \$2 million available in the Public Access Account  
6 shall be transferred to the Higher Education Coordinating Commission for  
7 distribution to community colleges for the purpose of developing connectivity  
8 and distance education programs.

9 “(e) Following the transfer of funds described in paragraphs (b) to (d) of  
10 this subsection, the next \$4 million available in the Public Access Account  
11 shall be transferred to the Higher Education Coordinating Commission for  
12 video transport and network management services for public universities.

13 “(f) Following the transfer of funds described in paragraphs (b) to (e) of  
14 this subsection, the next \$5.5 million available in the Public Access Account  
15 shall be transferred to the Oregon Public Broadcasting Corporation for the  
16 purpose of digitizing the state television network, using the Oregon Enter-  
17 prise Network when possible.

18 “(g) Following the transfer of funds described in paragraphs (b) to (f) of  
19 this subsection, the next \$500,000 available in the Public Access Account  
20 shall be transferred to the Southern Oregon Public Television Corporation  
21 for the purpose of digitizing the state television network, using the Oregon  
22 Enterprise Network when possible.

23 “(h) Following the transfer of funds described in paragraphs (b) to (g) of  
24 this subsection, a public university listed in ORS 352.002 or the Oregon  
25 Health and Science University may apply for one-time matching funds up to  
26 \$1 million from the Public Access Account to endow a telecommunications  
27 chair for the purpose of increasing research and development of advanced  
28 telecommunications services applications. Only one chair may be endowed  
29 under this paragraph.

30 “(5)(a) The [*Oregon Business Development Commission*] **Oregon Com-**

1 **merce and Trade Commission** shall approve expenditure of any remaining  
2 moneys in the Public Access Account consistent with this section and ORS  
3 759.430.

4 “(b) Community colleges, public universities listed in ORS 352.002, public  
5 libraries, public television corporations and rural health care providers may  
6 apply to the [*Oregon Business Development Commission*] **Oregon Commerce**  
7 **and Trade Commission** for funding from the Public Access Account under  
8 this subsection.

9 “(c) Funds received from the account shall be used for the purchase of  
10 advanced telecommunications services, equipment or recurring costs of tele-  
11 communications connectivity. Priority shall be given to collaborative  
12 projects that improve access to advanced telecommunications services.

13 “(d) Funds available in the Public Access Account under this subsection  
14 are continuously appropriated to the [*Oregon Business Development Depart-*  
15 *ment*] **Oregon Department of Commerce and Trade** for the purposes de-  
16 scribed in this subsection.

17 “(6) Public libraries and rural health care providers must apply for federal  
18 universal service support in order to be eligible for a grant from the Public  
19 Access Account.

20 “(7) The video transport and network management services purchased  
21 with funds made available under this section shall be purchased through the  
22 Oregon Department of Administrative Services.

23 “(8) Any moneys deposited in the Connecting Oregon Communities Fund  
24 under subsection (1) of this section pursuant to a performance assurance plan  
25 implemented by a telecommunications carrier in connection with an appli-  
26 cation under 47 U.S.C. 271, as in effect on January 1, 2002, shall be placed  
27 in the School Technology Account to be expended as provided in section 34,  
28 chapter 1093, Oregon Laws 1999.

29 **“SECTION 379.** ORS 776.129 is amended to read:

30 “776.129. (1) When the Oregon Board of Maritime Pilots establishes rates

1 described in ORS 776.115 (5), the board shall contract with and compensate  
2 the Public Utility Commission of Oregon for the use of administrative law  
3 judges assigned by the commission to conduct the rate proceeding. Notwith-  
4 standing ORS 183.413 to 183.470, an administrative law judge shall conduct  
5 the proceeding in compliance with procedures adopted by the board by rule.  
6 The administrative law judge and the board may receive and consider rec-  
7 ommendations made by the [*Oregon Business Development Department*]  
8 **Oregon Department of Commerce and Trade** and the Port of Portland.

9 “(2) The board may defray the costs and expenses of the hearing by as-  
10 sessing, in its final order, all or a portion of the costs and expenses of the  
11 hearing to a party to the hearing.

12 **“SECTION 380.** ORS 777.267 is amended to read:

13 “777.267. (1) The Marine Navigation Improvement Fund is established in  
14 the State Treasury, separate and distinct from the General Fund. Interest  
15 earned by the Marine Navigation Improvement Fund shall be credited to the  
16 fund. The moneys in the fund and interest earnings on the moneys in the  
17 fund are continuously appropriated to the [*Oregon Business Development*  
18 *Department*] **Oregon Department of Commerce and Trade** for the Oregon  
19 Infrastructure Finance Authority for the purposes of:

20 “(a) Paying a portion of the construction costs of dredging activities that  
21 constitute new federally authorized navigation improvement projects and are  
22 carried out in the harbors and channels on the Oregon coast and along the  
23 Columbia River when federal law or regulation requires a portion of the  
24 costs to be paid by nonfederal interests;

25 “(b) Paying the study and construction costs of other new navigation  
26 improvement projects that directly support, or provide access to, a federally  
27 authorized navigation improvement project;

28 “(c) Paying the study and construction costs of maintenance projects re-  
29 lated to existing federally authorized navigation improvement projects; and

30 “(d) Paying for portions of the cost of maintenance dredging projects

1 undertaken with equipment owned by the State of Oregon at publicly owned  
2 ports and marinas.

3 “(2) The Marine Navigation Improvement Fund established by this section  
4 consists of:

5 “(a) Moneys appropriated or otherwise deposited into the fund by the  
6 Legislative Assembly;

7 “(b) Repayment of loans made with moneys in the fund; and

8 “(c) Bond proceeds deposited in the fund.

9 “(3) Moneys in the fund shall be used primarily to make loans to ports  
10 for eligible projects. The authority may award a grant or provide other as-  
11 sistance from moneys in the fund to a port for an eligible project only if a  
12 loan is not feasible due to the financial hardship of the port or other special  
13 circumstances, as set forth in rules adopted by the department.

14 “(4) Eligibility for assistance from the Marine Navigation Improvement  
15 Fund shall be limited to and funded, subject to the availability of funds, in  
16 the following order of priority:

17 “(a) Maintenance projects related to existing federally authorized navi-  
18 gation improvement projects.

19 “(b) Other new navigation improvement projects that directly support, or  
20 provide access to, a federally authorized navigation improvement project or  
21 a federally authorized navigation channel.

22 “(c) New federally authorized navigation improvement projects.

23 “(d) Payment of portions of the cost of maintenance dredging projects  
24 undertaken with equipment owned by the State of Oregon at publicly owned  
25 ports and marinas.

26 “(5) The authority shall limit financial assistance for construction costs  
27 under subsection (1)(a) of this section to those projects that have completed  
28 all federally required studies.

29 “(6) The authority shall limit financial assistance for construction costs  
30 under subsection (1)(b) of this section to projects sponsored by a port, as

1 defined in ORS 777.005 or 778.005, that meet criteria developed by the au-  
2 thority.

3 “(7) The authority shall limit financial assistance for study costs under  
4 subsection (1)(b) of this section to projects that meet criteria developed by  
5 the authority.

6 “(8) The authority shall limit financial assistance for study and con-  
7 struction costs under subsection (1)(c) of this section to projects that meet  
8 criteria developed by the authority.

9 **“SECTION 381.** ORS 777.282 is amended to read:

10 “777.282. (1) The Channel Deepening Account is hereby created in the  
11 Marine Navigation Improvement Fund.

12 “(2) Any earnings and interest earned on amounts in the Channel  
13 Deepening Account shall be credited to the Channel Deepening Account. The  
14 moneys in the Channel Deepening Account are continuously appropriated to  
15 the [*Oregon Business Development Department*] **Oregon Department of**  
16 **Commerce and Trade** for the Oregon Infrastructure Finance Authority and  
17 shall be transferred by the authority to the primary sponsor pursuant to and  
18 upon the terms and conditions set forth in the grant agreement entered into  
19 under ORS 777.284 to pay the Oregon nonfederal share.

20 “(3) The Channel Deepening Debt Service Account is hereby created in  
21 the Marine Navigation Improvement Fund.

22 “(4) Any earnings and interest earned on amounts in the Channel  
23 Deepening Debt Service Account must be credited to the Channel Deepening  
24 Debt Service Account. The moneys in the Channel Deepening Debt Service  
25 Account are continuously appropriated to the [*Oregon Business Development*  
26 *Department*] **Oregon Department of Commerce and Trade** for the Oregon  
27 Infrastructure Finance Authority for payment of bond-related costs for lot-  
28 tery bonds issued under ORS 285B.551 (5) and section 12, chapter 741, Oregon  
29 Laws 2003, and for lottery bonds issued for channel deepening under ORS  
30 285B.551 (3) and section 6, chapter 942, Oregon Laws 2001.

1 “(5) The restrictions on the use of moneys in the Marine Navigation Im-  
2 provement Fund set forth in ORS 777.267 do not apply to moneys in the  
3 Channel Deepening Account or the Channel Deepening Debt Service Ac-  
4 count.

5 **“SECTION 382.** ORS 777.284 is amended to read:

6 “777.284. (1) The Director of the [*Oregon Business Development Depart-*  
7 *ment*] **Oregon Department of Commerce and Trade** shall enter into, or  
8 modify, a grant agreement with the primary sponsor committing the [*Oregon*  
9 *Business Development Department*] **Oregon Department of Commerce and**  
10 **Trade** to request that the State Treasurer issue lottery bonds as provided in  
11 ORS 285B.551 (3) and section 6, chapter 942, Oregon Laws 2001, to obtain  
12 lottery bond proceeds for deposit in the Channel Deepening Account for  
13 payment of the Oregon nonfederal share.

14 “(2) The total amount paid to the primary sponsor pursuant to the grant  
15 agreement may not exceed the lesser of the amount of the Oregon nonfederal  
16 share or the total amount deposited in the Channel Deepening Account. The  
17 grant agreement:

18 “(a) Shall specify a method for determining the total amount of the  
19 Oregon nonfederal share; and

20 “(b) May not contain provisions or be construed or enforced in any man-  
21 ner that would cause the grant agreement to constitute a debt or liability  
22 of the state that violates section 7, Article XI of the Oregon Constitution.

23 **“SECTION 383.** ORS 805.274 is amended to read:

24 “805.274. (1) After payment of the cost of production of the wine country  
25 registration plates including administrative expenses relating to marketing  
26 the wine country registration plates issued under ORS 805.266, the Oregon  
27 Tourism Commission shall distribute the moneys received from the Depart-  
28 ment of Transportation pursuant to ORS 805.272 as follows:

29 “(a) One half of the moneys shall be distributed as matching grants. The  
30 commission shall develop a matching grant program and shall award grants



1 to tourism promotion agencies for tourism promotion of wine and culinary  
2 tourism. The commission shall establish the maximum grant amount in the  
3 applicant guidelines prepared for the matching grant program in each  
4 biennium. No more than 50 percent of the total cost of a project may be paid  
5 for with moneys from the program. An applicant must show a minimum  
6 one-to-one match from private or public sources other than [*Oregon Business*  
7 *Development Department*] **Oregon Department of Commerce and Trade**  
8 or commission programs. The applicant must also show a cash match of at  
9 least 50 percent of the amount requested under the matching grant program.

10 “(b) One half of the moneys shall be distributed to tourism promotion  
11 agencies for the purpose of wine and culinary tourism promotion. The com-  
12 mission shall distribute the moneys in proportion to the amount of acreage  
13 in each region used for wine grape production. The commission shall desig-  
14 nate a tourism promotion agency for each region. The regions shall include  
15 the mid-Willamette Valley region and each other major wine producing re-  
16 gion of the state as determined by the commission. The commission shall  
17 require, by rule, tourism promotion agencies to collaborate with the Oregon  
18 Wine Board and relevant regional wine industry associations designated by  
19 the commission whenever the tourism promotion agencies develop expendi-  
20 ture plans for moneys distributed by the commission under this section.

21 “(2) The commission annually shall submit a report on the moneys dis-  
22 tributed under this section to the Legislative Assembly in the manner pro-  
23 vided in ORS 192.245 on or before October 1.

24 “(3) The commission shall adopt rules to carry out this section.

25 “(4) As used in this section:

26 “(a) ‘Mid-Willamette Valley region’ means Marion, Polk and Yamhill  
27 Counties.

28 “(b) ‘Tourism promotion’ has the meaning given that term in ORS 320.300.

29 “(c) ‘Tourism promotion agency’ has the meaning given that term in ORS  
30 320.300.

1        **“SECTION 384.** ORS 836.642 is amended to read:

2        “836.642. (1) The Oregon Department of Aviation shall establish a pilot  
3 program at up to six rural airports to encourage development of through the  
4 fence operations designed to promote economic development by creating  
5 family wage jobs, by increasing local tax bases and by increasing financial  
6 support for rural airports. To the extent practicable, the airport sponsor of  
7 a pilot site shall use public-private partnerships that incorporate:

8        “(a) Innovative and creative technologies for increasing airport usability  
9 and safety;

10       “(b) Innovative and creative performance of aviation services to make the  
11 services more competitive and useful for the public;

12       “(c) Development of the pilot site as a setting for customary and usual  
13 aviation-related activities to develop and thrive, in concert with the goals  
14 of the [*Oregon Business Development Department*] **Oregon Department of**  
15 **Commerce and Trade**; and

16       “(d) Shared responsibility for:

17       “(A) Establishing and meeting the fiscal needs of the pilot site;

18       “(B) Maintaining safety of operations; and

19       “(C) Maintaining positive community relations and compatibility with  
20 existing uses.

21       “(2) The pilot program shall operate at:

22       “(a) The Aurora State Airport; and

23       “(b) Not more than five additional rural airports that volunteer to par-  
24 ticipate and are selected by the Oregon Department of Aviation with the  
25 concurrence of the county in which each rural airport is located.

26       “(3) The Oregon Department of Aviation, by rule, shall provide standards  
27 and guidelines for through the fence operations that:

28       “(a) Ensure that the operations provide financial support to the pilot sites  
29 in compliance with Federal Aviation Administration regulations;

30       “(b) Require submission, review, approval and, as appropriate, revision

1 of a facility site plan for each through the fence operation so that the real  
2 property covered by the site plan can be incorporated into the airport  
3 boundary and coordinated with the other aspects of the airport master plan;

4 “(c) Ensure that the operations are conducted according to a written  
5 contract between the commercial or industrial user of property within the  
6 airport boundary and the airport sponsor;

7 “(d) Ensure that pilot sites continue to operate in a safe manner and to  
8 fulfill their roles in Oregon’s emergency response system;

9 “(e) Preserve investments in pilot sites and the level of service provided  
10 by pilot sites;

11 “(f) Facilitate orderly management of pilot sites;

12 “(g) Provide equitable and uniform treatment of airport tenants and users  
13 at pilot sites;

14 “(h) Advance economic development through qualified customary and  
15 usual aviation-related activities within the airport boundaries of pilot sites;

16 “(i) Encourage well-ordered economic development within the airport  
17 boundaries of the pilot sites;

18 “(j) Facilitate and foster good relations with the communities surrounding  
19 the pilot sites;

20 “(k) Enable conformity with approved airport master plans;

21 “(L) Make pilot sites available for public use on reasonable terms; and

22 “(m) Assist pilot sites in developing financial self-sufficiency through the  
23 use of innovative funding and economic development programs.

24 “(4) The Department of Land Conservation and Development, the county  
25 and a city, if any, within whose jurisdiction a pilot site is located shall co-  
26 ordinate with the Oregon Department of Aviation to ensure that the appli-  
27 cable comprehensive plans and land use regulations, including airport zoning  
28 classifications pursuant to ORS 836.600 to 836.630, facilitate through the  
29 fence operations and support the development or expansion of the pilot site  
30 consistent with applicable statewide land use planning requirements.

1 “(5) The [*Oregon Business Development Department*] **Oregon Department**  
2 **of Commerce and Trade** shall assist the pilot sites to:

3 “(a) Identify, qualify for and apply for funding from appropriate grant and  
4 loan programs; and

5 “(b) Develop innovative short-term and long-term funding opportunities.

6 “(6) To the extent practicable, the airport sponsors shall utilize innova-  
7 tive airport infrastructure and operations funding to support the pilot sites  
8 including, but not limited to:

9 “(a) Airport districts as provided in ORS chapter 838;

10 “(b) Economic development programs administered by the [*Oregon Busi-*  
11 *ness Development Department*] **Oregon Department of Commerce and**  
12 **Trade**;

13 “(c) Tax increment financing to provide funding for airport-related  
14 infrastructure;

15 “(d) United States Department of Agriculture Rural Development grants  
16 or low-interest loans; and

17 “(e) Programs, including funding for short line railroads under ORS  
18 367.067, designed to facilitate development of intermodal transportation  
19 projects.

20 “**SECTION 385.** Section 2, chapter 559, Oregon Laws 2005, is amended to  
21 read:

22 “**Sec. 2.** (1) The Greenlight Oregon Labor Rebate Fund is established in  
23 the State Treasury, separate and distinct from the General Fund. Interest  
24 earned by the Greenlight Oregon Labor Rebate Fund shall be credited to the  
25 Greenlight Oregon Labor Rebate Fund.

26 “(2) All moneys in the Greenlight Oregon Labor Rebate Fund are contin-  
27 uously appropriated to the [*Oregon Business Development Department*]  
28 **Oregon Department of Commerce and Trade** for the purposes of trans-  
29 ferring amounts requested under subsection (3) of this section to the Oregon  
30 Film and Video Office.

1 “(3) Following verification by the Oregon Film and Video Office of actual  
2 expenses of a qualifying film production certificate holder under section 1,  
3 **chapter 559, Oregon Laws 2005**, [of this 2005 Act] and a request for a  
4 transfer of funds by the office, the department shall transfer amounts suffi-  
5 cient to pay the labor rebate described in section 1 (6)(a), **chapter 559,**  
6 **Oregon Laws 2005**, [of this 2005 Act] and the costs of the office described  
7 in section 1 (5)(b), **chapter 559, Oregon Laws 2005** [of this 2005 Act].

8 **“SECTION 386.** Section 13, chapter 746, Oregon Laws 2007, as amended  
9 by section 1, chapter 900, Oregon Laws 2009, section 1, chapter 754, Oregon  
10 Laws 2013, section 3, chapter 815, Oregon Laws 2015, section 42, chapter 671,  
11 Oregon Laws 2019, and section 54, chapter 682, Oregon Laws 2021, is  
12 amended to read:

13 **“Sec. 13.** (1) In addition to amounts authorized under ORS 286.505 to  
14 286.545 (2005 Edition) or pursuant to ORS 286A.035, the State Treasurer, at  
15 the request of the Director of the [*Oregon Business Development*  
16 *Department*] **Oregon Department of Commerce and Trade**, may issue lot-  
17 tery bonds pursuant to ORS 286A.560 to 286A.585:

18 “(a) In an amount of up to \$5 million for payment of the expenses of the  
19 Coos Bay Channel Project; and

20 “(b) In an additional amount to be estimated by the State Treasurer for  
21 payment of bond-related costs of the Oregon Department of Administrative  
22 Services, the [*Oregon Business Development Department*,] **Oregon Depart-**  
23 **ment of Commerce and Trade** and the State Treasurer.

24 “(2) The director shall request that the State Treasurer issue the amount  
25 of bonds described in subsection (1)(a) of this section, at the request of the  
26 primary sponsor, to transfer in the biennium beginning July 1, 2007, up to  
27 \$5 million in net proceeds of lottery bonds to the Coos Bay Channel Fund  
28 established in section 15, chapter 746, Oregon Laws 2007, for distribution to  
29 the primary sponsor after the director finds that the primary sponsor has  
30 taken action pursuant to the grant agreement required in section 14, chapter

1 746, Oregon Laws 2007, that triggers the distribution of bond proceeds de-  
2 scribed in this subsection.

3 **“SECTION 387.** Section 14, chapter 746, Oregon Laws 2007, as amended  
4 by section 2, chapter 900, Oregon Laws 2009, section 2, chapter 754, Oregon  
5 Laws 2013, section 4, chapter 815, Oregon Laws 2015, section 14, chapter 66,  
6 Oregon Laws 2016, section 43, chapter 671, Oregon Laws 2019, and section  
7 55, chapter 682, Oregon Laws 2021, is amended to read:

8 **“Sec. 14.** (1) The Director of the [*Oregon Business Development Depart-*  
9 *ment*] **Oregon Department of Commerce and Trade** shall enter into one  
10 or more grant agreements with the primary sponsor that require the [*Oregon*  
11 *Business Development Department*] **Oregon Department of Commerce and**  
12 **Trade** to disburse, over the course of the project, an aggregate principal  
13 amount of \$5 million for payment of the expenses of the Coos Bay Channel  
14 Project, from the Coos Bay Channel Fund established pursuant to section  
15 15, chapter 746, Oregon Laws 2007, to the primary sponsor. The department  
16 shall make disbursements from the fund as soon as bond proceeds are de-  
17 posited in the fund.

18 “(2) The one or more grant agreements must establish appropriate triggers  
19 for the distribution of bond proceeds described in section 13 (2), chapter 746,  
20 Oregon Laws 2007, based on appropriate measures of progress in completion  
21 of the project that are satisfactory to the director and consistent with pru-  
22 dent financial practices that reflect sound stewardship of public resources.

23 “(3) The State of Oregon and its agencies and departments are not liable  
24 to the lenders, vendors or contractors of the Oregon sponsors for any action  
25 or omission under sections 11 to 15, chapter 746, Oregon Laws 2007.

26 “(4) By receipt of any part of net proceeds of lottery bonds described in  
27 section 13, chapter 746, Oregon Laws 2007, the primary sponsor agrees to  
28 indemnify the state and its agencies and departments to the fullest extent  
29 permitted by law for liability the state or its agencies and departments might  
30 incur in connection with any borrowing by the primary sponsor for the

1 project.

2 “(5) The director and the primary sponsor shall modify the existing grant  
3 agreement as may be necessary to incorporate the amendments to this sec-  
4 tion and section 13, chapter 746, Oregon Laws 2007, by sections 1 and 2,  
5 chapter 754, Oregon Laws 2013.

6 “**SECTION 387a.** Section 15, chapter 746, Oregon Laws 2007, as amended  
7 by section 46, chapter 599, Oregon Laws 2023, is amended to read:

8 “**Sec. 15.** (1) The Coos Bay Channel Fund is established separate and  
9 distinct from the General Fund. Interest earned by the Coos Bay Channel  
10 Fund shall be credited to the fund. The moneys in the Coos Bay Channel  
11 Fund are continuously appropriated to the [*Oregon Business Development*  
12 *Department*] **Oregon Department of Commerce and Trade** for the purpose  
13 described in subsection (2) of this section. The fund shall consist of moneys  
14 transferred to the fund under section 13, chapter 746, Oregon Laws 2007, and  
15 sections 44 and 45, **chapter 599, Oregon Laws 2023**, [*of this 2023 Act*] and  
16 interest earnings on moneys in the fund.

17 “(2) Moneys in the fund are available to the department for distribution  
18 to the primary sponsor to pay the nonfederal cost share, or the nonprivate  
19 cost share, of expenses of the project up to the amounts specified in section  
20 13, chapter 746, Oregon Laws 2007, and sections 44 and 45, **chapter 599,**  
21 **Oregon Laws 2023**, [*of this 2023 Act*] and to pay bond-related costs.

22 “**SECTION 388.** Section 3, chapter 786, Oregon Laws 2013, as amended  
23 by section 3, chapter 812, Oregon Laws 2015, section 4, chapter 748, Oregon  
24 Laws 2017, and section 1, chapter 281, Oregon Laws 2019, is amended to read:

25 “**Sec. 3.** (1) The Regional Infrastructure Fund is established in the State  
26 Treasury, separate and distinct from the General Fund. Interest earned on  
27 the moneys in the Regional Infrastructure Fund shall be credited to the fund.  
28 The Regional Infrastructure Fund consists of moneys deposited in the fund  
29 under section 2, chapter 786, Oregon Laws 2013, section 2, chapter 812,  
30 Oregon Laws 2015, and section 3, chapter 748, Oregon Laws 2017, and may

1 include fees, revenues or other income deposited into the fund by the Legis-  
2 lative Assembly.

3 “(2) Moneys in the fund are continuously appropriated to the [*Oregon*  
4 *Business Development Department*] **Oregon Department of Commerce and**  
5 **Trade** for disbursement to local governments and federally recognized Indian  
6 tribes located in this state for the purposes set forth in section 2, chapter  
7 786, Oregon Laws 2013, section 2, chapter 812, Oregon Laws 2015, and section  
8 3, chapter 748, Oregon Laws 2017.

9 “**SECTION 389.** Section 6, chapter 786, Oregon Laws 2013, as amended  
10 by section 27, chapter 812, Oregon Laws 2015, section 23, chapter 748, Oregon  
11 Laws 2017, section 36, chapter 671, Oregon Laws 2019, section 45, chapter 682,  
12 Oregon Laws 2021, and section 41, chapter 599, Oregon Laws 2023, is  
13 amended to read:

14 “**Sec. 6.** (1) The Cultural Resources Economic Fund is established in the  
15 State Treasury, separate and distinct from the General Fund. Interest earned  
16 on the moneys in the Cultural Resources Economic Fund shall be credited  
17 to the fund. The Cultural Resources Economic Fund consists of moneys de-  
18 posited in the fund under section 5, chapter 786, Oregon Laws 2013, section  
19 26, chapter 812, Oregon Laws 2015, section 22, chapter 748, Oregon Laws  
20 2017, section 44, chapter 682, Oregon Laws 2021, and section 38, **chapter 599,**  
21 **Oregon Laws 2023** [*of this 2023 Act*], and may include fees, revenues or other  
22 income deposited in the fund by the Legislative Assembly.

23 “(2) Moneys in the fund are continuously appropriated to the [*Oregon*  
24 *Business Development Department*] **Oregon Department of Commerce and**  
25 **Trade** for disbursement for the purposes set forth in section 5, chapter 786,  
26 Oregon Laws 2013, section 26, chapter 812, Oregon Laws 2015, section 22,  
27 chapter 748, Oregon Laws 2017, section 44, chapter 682, Oregon Laws 2021,  
28 and section 38, **chapter 599, Oregon Laws 2023** [*of this 2023 Act*].

29 “**SECTION 390.** Section 4, chapter 812, Oregon Laws 2015, is amended to  
30 read:



1       “**Sec. 4.** (1) The Director of the [*Oregon Business Development*  
2 *Department*] **Oregon Department of Commerce and Trade**, in accordance  
3 with ORS chapter 183, shall adopt rules necessary to administer programs  
4 or projects financed with moneys obtained pursuant to section 3, chapter 786,  
5 Oregon Laws 2013, and section 2, **chapter 812, Oregon Laws 2015** [*of this*  
6 *2015 Act*]. The rules shall address procedures for authorizing infrastructure  
7 planning and research efforts, developing and evaluating grant and loan ap-  
8 plications, awarding grants and loans from the Regional Infrastructure Fund  
9 and administering a grant and loan review committee, and may include other  
10 provisions the director determines necessary or convenient for the [*Oregon*  
11 *Business Development Department*] **Oregon Department of Commerce and**  
12 **Trade** to perform its duties and responsibilities under section 3, chapter 786,  
13 Oregon Laws 2013, and section 2, **chapter 812, Oregon Laws 2015** [*of this*  
14 *2015 Act*].

15       “(2) The rules must be developed in consultation with the Director of the  
16 Oregon Department of Administrative Services or the director’s designee.

17       “**SECTION 391.** Section 7a, chapter 66, Oregon Laws 2016, is amended to  
18 read:

19       “**Sec. 7a.** (1) The American Manufacturing Innovation District Fund is  
20 established in the State Treasury, separate and distinct from the General  
21 Fund. Interest earned on moneys in the American Manufacturing Innovation  
22 District Fund shall be credited to the fund. The fund consists of moneys de-  
23 posited in the fund under section 7, **chapter 66, Oregon Laws 2016**, [*of this*  
24 *2016 Act*] and may include fees, revenues or other income deposited into the  
25 fund by the Legislative Assembly.

26       “(2) Moneys in the American Manufacturing Innovation District Fund are  
27 continuously appropriated to the [*Oregon Business Development Department*]  
28 **Oregon Department of Commerce and Trade** for the purpose described  
29 in section 7, **chapter 66, Oregon Laws 2016** [*of this 2016 Act*].

30       “**SECTION 392.** Section 28, chapter 748, Oregon Laws 2017, as amended

1 by section 32, chapter 671, Oregon Laws 2019, section 13, chapter 5, Oregon  
2 Laws 2020 (second special session), section 53, chapter 682, Oregon Laws  
3 2021, and section 39, chapter 599, Oregon Laws 2023, is amended to read:

4 “**Sec. 28.** (1) The [OBDD] **ODCT** Economic Development Distributions  
5 Fund is established in the State Treasury, separate and distinct from the  
6 General Fund. Interest earned on the moneys in the [OBDD] **ODCT** Eco-  
7 nomic Development Distributions Fund must be credited to the fund. The  
8 [OBDD] **ODCT** Economic Development Distributions Fund consists of mon-  
9 eys deposited in the fund under sections 26 and 27, chapter 748, Oregon Laws  
10 2017, and sections 21, 22, 23, 35 and 36, **chapter 599, Oregon Laws 2023** [*of*  
11 *this 2023 Act*], and may include fees, revenues or other income deposited into  
12 the fund by the Legislative Assembly.

13 “(2) Moneys in the fund are continuously appropriated to the [*Oregon*  
14 *Business Development Department*] **Oregon Department of Commerce and**  
15 **Trade** for purposes described in sections 26 and 27, chapter 748, Oregon Laws  
16 2017, and sections 21, 22, 23, 35 and 36, **chapter 599, Oregon Laws 2023** [*of*  
17 *this 2023 Act*].

18 “**SECTION 392a.** Section 5, chapter 17, Oregon Laws 2020 (first special  
19 session), as amended by section 4, chapter 338, Oregon Laws 2023, is amended  
20 to read:

21 “**Sec. 5.** (1) The [*Oregon Business Development Department*] **Oregon De-**  
22 **partment of Commerce and Trade** shall establish by rule a program for  
23 providing grants or loans to assist eligible applicants with projects for:

24 “(a) The planning and development of broadband service infrastructure;

25 “(b) Digital literacy including cybersecurity;

26 “(c) Digital inclusion; and

27 “(d) Digital adoption.

28 “(2) The program shall be funded only by moneys transferred to the  
29 Broadband Fund established under [*section 4, chapter 17, Oregon Laws 2020*  
30 (*first special session*)] **ORS 285A.167**, pursuant to ORS 759.425.

1 “(3) In establishing the program required by this section, the department  
2 shall take into consideration all federal funding opportunities for the plan-  
3 ning and development of broadband service infrastructure and shall endeavor  
4 to administer the program in a manner that serves to maximize the total  
5 available state and federal support for broadband development and related  
6 planning.

7 **“SECTION 393.** Section 1, chapter 376, Oregon Laws 2021, is amended to  
8 read:

9 **“Sec. 1.** (1) The Legislative Assembly finds that:

10 “(a) Oregon offshore wind holds tremendous potential and promise for this  
11 state to diversify its energy portfolio.

12 “(b) Oregon has an opportunity to participate in a growing global market  
13 by contributing to the development of the nascent offshore wind energy  
14 supply chain.

15 “(c) An intergovernmental task force led by the Bureau of Ocean Energy  
16 Management has reengaged and is expected to reveal offshore wind call areas  
17 in 2021 for the development of floating offshore wind energy within the fed-  
18 eral waters off the Oregon coast.

19 “(d) Oregon has an opportunity to participate in holistic west coast  
20 planning for the strategic integration of floating offshore wind energy within  
21 the next decade and to position itself for potential market expansion there-  
22 after.

23 “(e) The Department of Land Conservation and Development has an es-  
24 tablished role as the lead state agency coordinating with the federal process  
25 for floating offshore wind development and, as the lead agency of the feder-  
26 ally approved Oregon Coastal Management Program, the department imple-  
27 ments the state’s federal consistency authority pursuant to the Coastal Zone  
28 Management Act of 1972 and associated federal regulations. The department  
29 implements federal consistency review by evaluating federal activities for  
30 compliance with state enforceable policies and their reasonably foreseeable

1 effects to coastal uses and resources of the Oregon coastal zone, and the  
2 department will coordinate with networked agency and local government  
3 partners to evaluate floating offshore wind development activities for con-  
4 sistency with the Oregon Coastal Management Program.

5 “(f) The [*Oregon Business Development Department*] **Oregon Department**  
6 **of Commerce and Trade** has established a leadership role in facilitating  
7 attracting the floating offshore wind energy industry to this state and in  
8 facilitating floating offshore wind energy supply chain development.

9 “(g) Understanding the impacts, benefits, opportunities and barriers of  
10 floating offshore wind energy with respect to Oregon’s fishing communities,  
11 ocean and shore-side recreational users, tribes, ports, coastal ecosystems,  
12 natural resources, manufacturing industry, maritime sector, disaster recovery  
13 planning, workforce development and electricity ratepayers can maximize the  
14 benefits to this state, while minimizing the conflicts between floating off-  
15 shore wind energy, the ocean ecosystem and ocean users.

16 “(h) Defining a pathway for Oregon to take advantage to the fullest ex-  
17 tent possible of the federal offshore wind investment tax credit and other  
18 federal infrastructure investment programs that could benefit Oregon’s ports  
19 and transmission system can facilitate immediate economic investments as  
20 well as long term ratepayer savings.

21 “(i) Understanding the feasibility of using offshore wind as a clean power  
22 source for the future in-state generation of renewable fuel such as renewable  
23 hydrogen will strengthen state and regional energy decarbonization planning  
24 scenarios.

25 “(j) Investigating potential mechanisms to integrate floating offshore  
26 wind energy into Oregon’s future energy mix will strengthen state and re-  
27 gional energy decarbonization strategies.

28 “(2) In furtherance of the findings set forth in subsection (1) of this sec-  
29 tion, the Legislative Assembly finds and declares that:

30 “(a) It is the goal of this state to plan for the development of up to three

1 gigawatts of floating offshore wind energy projects within the federal waters  
2 off the Oregon coast by 2030;

3 “(b) It is further the goal of this state that the planning described in this  
4 subsection be conducted in a manner that will maximize benefits to this state  
5 while minimizing conflicts between floating offshore wind energy, the ocean  
6 ecosystem and ocean users; and

7 “(c) Consistent with applicable federal law, it shall be the policy position  
8 of the State of Oregon that:

9 “(A) Any federal planning or permitting process for offshore energy re-  
10 search and development in federal waters off the Oregon coast and for any  
11 related transmission and other facilities, particularly those that transverse  
12 Oregon’s territorial sea, shall adequately consider the prompt decommis-  
13 sioning of any offshore facility after permanent cessation of use of the fa-  
14 cility; and

15 “(B) Adequate consideration as described in this paragraph must include  
16 consideration of the removal or decommissioning of anchors, cables and any  
17 other equipment related to the facility in a manner that will serve to avoid  
18 future conflicts between the equipment and fishing operations conducted by  
19 persons who hold licenses issued pursuant to the commercial fishing laws.

20 “**SECTION 393a.** Section 30, chapter 508, Oregon Laws 2021, as amended  
21 by section 8, chapter 58, Oregon Laws 2022, is amended to read:

22 “**Sec. 30.** (1) The Community Renewable Investment Program is estab-  
23 lished for the purpose of:

24 “(a) Offsetting the cost of planning and developing community renewable  
25 energy projects;

26 “(b) Making community renewable energy projects economically feasible  
27 for qualifying communities;

28 “(c) Promoting small-scale renewable energy projects; and

29 “(d) Providing direct benefits to communities across this state in the form  
30 of increased community energy resilience, local jobs, economic development

1 or direct energy cost savings to families and small businesses.

2 “(2)(a) A federally recognized Oregon Indian tribe, public body or  
3 consumer-owned utility may submit to the State Department of Energy an  
4 application for grant moneys from the Community Renewable Investment  
5 Fund established under section 33, chapter 508, Oregon Laws 2021, for the  
6 purpose of planning or developing a community renewable energy project.

7 “(b) An applicant may partner with a federally recognized Oregon Indian  
8 tribe, public body, nonprofit entity, private business with a business site in  
9 this state or owner of rental property in this state, but a grant for an ap-  
10 proved application will only be awarded and released to an applicant that  
11 is a federally recognized Oregon Indian tribe, public body or consumer-owned  
12 utility. Any federally recognized Oregon Indian tribe, public body, nonprofit  
13 entity, private business or owner of rental property that partners with the  
14 applicant must be listed in the application.

15 “(c) An application must be drafted in consultation with electric utilities  
16 that have customers in the communities covered by a community renewable  
17 energy project that is in the application and regional stakeholders for the  
18 purpose of ensuring feasibility.

19 “(3) An application for a grant for planning a community renewable en-  
20 ergy project must demonstrate that the planning:

21 “(a) Is for a project located in this state but outside a city with a popu-  
22 lation of 500,000 or more;

23 “(b) Will be completed within six months of execution of the performance  
24 agreement or a reasonable time frame if good cause to extend the deadline  
25 is demonstrated as determined by rule;

26 “(c) Will result in a proposal for developing a community renewable en-  
27 ergy project; and

28 “(d) Incorporates feedback from:

29 “(A) Members of qualifying communities served by the community  
30 renewable energy project;

1 “(B) Businesses located in the communities served by the community  
2 renewable energy project;

3 “(C) Electric utilities that have customers in the communities served by  
4 the community renewable energy project; and

5 “(D) Other regional stakeholders.

6 “(4)(a) An application for a grant for developing a community renewable  
7 energy project must be on a form prescribed by the department and contain:

8 “(A) A detailed description of the project’s systems and the systems’ op-  
9 eration;

10 “(B) Information showing that the project’s systems will operate as re-  
11 presented in the application and, if the project is for producing electricity,  
12 remain in operation for at least five years or for at least a period of time  
13 established by the Director of the State Department of Energy by rule;

14 “(C) The anticipated total project cost;

15 “(D) Information on the number and types of jobs directly connected to  
16 the awarding of the grant that will be:

17 “(i) Created by the project; and

18 “(ii) Sustained throughout construction, installation and operation of the  
19 project;

20 “(E) Information demonstrating that the project will comply with appli-  
21 cable state and local laws and regulations and obtain required licenses and  
22 permits;

23 “(F) Information demonstrating that the project will be located in and  
24 benefit a community in this state but outside a city with a population of  
25 500,000 or more; and

26 “(G) Any other information the director considers necessary to determine  
27 whether the project is in compliance with sections 29 to 32, chapter 508,  
28 Oregon Laws 2021, and any applicable rules or standards adopted thereunder.

29 “(b) An application for developing a community renewable energy project  
30 must demonstrate that the project:

1       “(A) Is located in this state but outside a city with a population of 500,000  
2 or more;

3       “(B) Will begin construction within 12 months of execution of the per-  
4 formance agreement and be completed within 36 months of execution of the  
5 performance agreement or a reasonable time frame if good cause to extend  
6 the deadline is demonstrated as determined by rule;

7       “(C) Results in increased community energy resilience, local jobs, eco-  
8 nomic development or direct energy cost savings to families and small busi-  
9 nesses;

10       “(D) Complies with applicable state and local laws and regulations and  
11 has the required licenses and permits;

12       “(E) Does not exceed 20 megawatts of nameplate capacity, if the project  
13 is for generating renewable energy; and

14       “(F) Will operate for at least five years, if the project is for producing  
15 electricity, or for at least a period of time established by the director by rule.

16       “(5) Upon receipt of an application submitted under this section, the de-  
17 partment shall review and determine whether the applicant is eligible to re-  
18 ceive a grant from the Community Renewable Investment Program  
19 established under this section. The department may approve an application  
20 if the department finds that:

21       “(a) The planning or development proposal meets the requirements listed  
22 in subsection (3) or (4) of this section;

23       “(b) The proposal meets the standards described in subsection (10) of this  
24 section;

25       “(c) The proposal meets any standards adopted by rule under subsection  
26 (11) of this section;

27       “(d) The proposal is technically feasible; and

28       “(e) Any federally recognized Oregon Indian tribe, public body, private  
29 business or owner of rental property partnered with the applicant is listed  
30 in the application.



1 “(6)(a) The department shall issue separate opportunity announcements  
2 for each calendar interval that funding is available for the following cate-  
3 gories:

4 “(A) Planning a community renewable energy project that qualifies as a  
5 community energy resilience project;

6 “(B) Developing a community renewable energy project that qualifies as  
7 a community energy resilience project;

8 “(C) Planning a community renewable energy project that does not qual-  
9 ify as a community energy resilience project; and

10 “(D) Developing a community renewable energy project that does not  
11 qualify as a community energy resilience project.

12 “(b) Upon receiving an application, the director shall determine whether  
13 the application is for a community renewable energy project that qualifies  
14 as a community energy resilience project based on the definition of ‘com-  
15 munity energy resilience project’ in section 29, chapter 508, Oregon Laws  
16 2021, and any applicable rules adopted under this section.

17 “(7)(a) The department shall allocate, out of the initial moneys appropri-  
18 ated for the Community Renewable Investment Program under section 34,  
19 chapter 508, Oregon Laws 2021:

20 “(A) 50 percent or more for grants to be awarded for planning or devel-  
21 oping community renewable energy projects that qualify as community en-  
22 ergy resilience projects.

23 “(B) 50 percent or more for grants to be awarded for planning or devel-  
24 oping community renewable energy projects that primarily serve one or more  
25 qualifying communities.

26 “(b) The department shall allocate, out of any subsequent and additional  
27 moneys appropriated to the Community Renewable Investment Program,  
28 percentage amounts for grants in a manner consistent with paragraph (a) of  
29 this subsection.

30 “(c) After two years of issuing announcements of available funding op-

1 opportunities from the initial moneys appropriated to the Community  
2 Renewable Investment Program and after consultation with the Advisory  
3 Committee on Community Renewable Investment described in section 32,  
4 chapter 508, Oregon Laws 2021, the department may, by rule, reallocate the  
5 percentage of available funds across project categories.

6 “(8) The department shall review and competitively score applications  
7 separately for each funding opportunity announcement.

8 “(9) If the department approves an application under this section, the de-  
9 partment and the applicant may enter into a performance agreement that  
10 meets the requirements set forth in section 31, chapter 508, Oregon Laws  
11 2021.

12 “(10) In approving applications and awarding grant moneys, the depart-  
13 ment shall prioritize planning and development proposals that:

14 “(a) Include community energy resilience projects.

15 “(b) Demonstrate significant prior investments in energy efficiency meas-  
16 ures at the project location or will result in aggregate improvements to de-  
17 mand response capabilities.

18 “(c) Are for projects located in qualifying communities across the state.

19 “(d) When applicable, are for projects constructed in part or in whole by  
20 disadvantaged business enterprises, emerging small businesses or businesses  
21 that are owned by minorities, women or disabled veterans.

22 “(e) Include inclusive hiring and promotion policies for workers working  
23 on the projects.

24 “(f) Incorporate equity metrics developed in coordination with the Envi-  
25 ronmental Justice Council established by ORS 182.538 for evaluating the in-  
26 volvement of and leadership by people of low income, Black, Indigenous or  
27 People of Color, members of tribal communities, people with disabilities,  
28 youth, people from rural communities and people from otherwise disadvan-  
29 taged communities in the siting, planning, designing or evaluating of the  
30 proposed community renewable energy projects.

1 “(g) Help the applicants achieve goals included in the applicants’ natural  
2 hazard mitigation plans as approved by the Federal Emergency Management  
3 Agency.

4 “(11) The department shall adopt rules, in consultation with [*Business*  
5 *Oregon*] **the Oregon Department of Commerce and Trade**, to carry out  
6 sections 29 to 32, chapter 508, Oregon Laws 2021. The rules must:

7 “(a) Define the planning and project costs eligible to be covered by a  
8 grant provided under section 31 (1) and (2), chapter 508, Oregon Laws 2021.

9 “(b) Adopt a methodology to identify qualifying communities and assess  
10 the geographic diversity of the approved planning and development projects  
11 compared with the other planning and development project applications for  
12 which grants have been requested in each opportunity announcement.

13 “(c) Establish guidelines for significant, unforeseeable or uncontrollable  
14 delays that will constitute good cause for extending the timelines agreed  
15 upon in performance agreements.

16 “(12) The [*department*] **State Department of Energy** may adopt rules  
17 capping the amount of grant funds that may be paid to individual consultants  
18 and contractors in each round of funding opportunity announcements if the  
19 department finds such limitations necessary to ensure broad distribution of  
20 funds and opportunity for emerging small businesses as defined in ORS  
21 200.005.

22 “**SECTION 393b.** Section 32, chapter 508, Oregon Laws 2021, as amended  
23 by section 9, chapter 58, Oregon Laws 2022, is amended to read:

24 “**Sec. 32.** The Director of the State Department of Energy may appoint  
25 an Advisory Committee on Community Renewable Investment to provide  
26 consultation on the implementation of sections 29 to 32, chapter 508, Oregon  
27 Laws 2021. A committee appointed under this section shall consist of:

28 “(1) A member of the Environmental Justice Council;

29 “(2) A representative of [*Business Oregon*] **the Oregon Department of**  
30 **Commerce and Trade**;

- 1 “(3) A representative of electric companies;
- 2 “(4) A representative of consumer-owned utilities;
- 3 “(5) A representative from an organization that represents community  
4 renewable energy development;
- 5 “(6) A representative from a federally recognized Oregon Indian tribe;
- 6 “(7) Three representatives of local government to represent the interests  
7 of counties, cities and special districts;
- 8 “(8) Representatives from nongovernmental organizations that represent  
9 communities of low income or disadvantaged households; and
- 10 “(9) Representatives from relevant state and federal emergency manage-  
11 ment or response agencies.

12 “**SECTION 394.** Section 9, chapter 676, Oregon Laws 2021, is amended to  
13 read:

14 “**Sec. 9.** (1) Not later than September 15, 2029, the interim committees of  
15 the Legislative Assembly related to economic development shall evaluate the  
16 effectiveness of the lenders’ loan loss reserve account program established  
17 under [*sections 1 to 7 of this 2021 Act*] **ORS 285B.780 to 285B.799** and develop  
18 recommendations for legislation, including appropriations.

19 “(2) In making the evaluation under subsection (1) of this section, the  
20 interim committees shall:

21 “(a) Consult with the [*Oregon Business Development Department*] **Oregon**  
22 **Department of Commerce and Trade** and with lenders that have entered  
23 into written agreements with the department under [*section 4 of this 2021*  
24 *Act*] **ORS 285B.791** and made qualified loans and with any other persons the  
25 interim committees consider necessary or useful; and

26 “(b) Consider the biennial reports submitted by the department under  
27 [*section 7 of this 2021 Act*] **ORS 285B.799** and any other information the in-  
28 terim committees consider necessary or useful.

29 “**SECTION 394a.** Section 1, chapter 12, Oregon Laws 2023, is amended to  
30 read:

1       “**Sec. 1.** (1) As used in this section:

2       “(a) ‘Department’ means the [*Oregon Business Development Department*]  
3       **Oregon Department of Commerce and Trade**, except when the Depart-  
4       ment of Revenue is referred to by its full title.

5       “(b) ‘Eligible employer’ means an employer doing business in 2017 North  
6       American Industry Classification System code 111, crop production, or code  
7       112, animal production and aquaculture.

8       “(c) ‘Tax credit’ means the tax credit for agricultural overtime pay al-  
9       lowed under [*section 8, chapter 115, Oregon Laws 2022*] **ORS 315.133**.

10       “(2) The [*Oregon Business Development Department*] **Oregon Department**  
11       **of Commerce and Trade** shall develop and administer a repayable award  
12       program for the purpose of providing financial assistance to eligible em-  
13       ployers to mitigate the costs associated with the agricultural overtime com-  
14       pensation requirements under [*section 2, chapter 115, Oregon Laws 2022*] **ORS**  
15       **653.272**.

16       “(3)(a) An eligible employer may apply for an award under the program  
17       administered under this section if the eligible employer:

18       “(A) Is eligible to apply for the tax credit; and

19       “(B) Anticipates earning not more than \$3,000,000 in gross income in the  
20       current year.

21       “(b) An eligible employer may apply for an award with respect to workers  
22       recruited, solicited, supplied or employed on behalf of the eligible employer  
23       by a labor contractor licensed under ORS 658.410. A labor contractor may  
24       not apply for an award.

25       “(4)(a) An award to any eligible employer may not be made under this  
26       section in an amount exceeding the lesser of:

27       “(A) The amount of overtime pay the employer anticipates incurring in  
28       the current year; or

29       “(B) \$40,000.

30       “(b) The department may withhold from each award an origination fee in

1 an amount not greater than 1.5 percent of the award amount to pay the ex-  
2 penses incurred by the department in administering the repayable award  
3 program.

4 “(5)(a) The department shall prescribe an application process for awards  
5 made under this section, including forms and deadlines, and an application  
6 period to open not later than 30 days following [*the effective date of this 2023*  
7 *Act*] **March 27, 2023**, and to remain open for 30 days.

8 “(b) An eligible employer seeking an award under this section must sub-  
9 mit an application to the department including attestations that the eligible  
10 employer anticipates:

11 “(A) Earning not more than \$3,000,000 in gross income in the current  
12 year;

13 “(B) Having overtime costs in the current year;

14 “(C) Being an eligible employer for purposes of the tax credit; and

15 “(D) Applying for the tax credit.

16 “(c) The application shall be signed under penalties for false swearing.

17 “(6)(a) The department may consult with an applicant about the applica-  
18 tion and the applicant, after such consultation, may amend the application  
19 at any time within the application period.

20 “(b) Not later than 45 days following the close of the application period,  
21 the department shall:

22 “(A) Review all timely and complete applications in accordance with the  
23 process prescribed by the department;

24 “(B) Approve or reject each application based solely on the attestations  
25 included in the application; and

26 “(C) Make an award offer to each approved applicant.

27 “(c) In reviewing applications, the department is not required to perform  
28 any due diligence with respect to the applicant, the applicant’s ability to  
29 repay the award, any collateral or other security for repayment of the award  
30 or the applicant’s creditworthiness.

1 “(d) The department shall promptly notify all applicants of the approval  
2 or rejection of their applications and the amount of any award offer. The  
3 award amount offered and the rejection of an application may not be ap-  
4 pealed.

5 “(7)(a) If the total of all approved award amounts for an application pe-  
6 riod exceeds the amount of moneys available in the Agricultural Overtime  
7 Award Fund established under section 2, **chapter 12, Oregon Laws 2023**  
8 [*of this 2023 Act*], the amounts shall be reduced proportionally until the total  
9 of all award amounts does not exceed the amount of moneys available.

10 “(b) If the total of all approved award amounts for an application period  
11 does not exceed the amount of moneys available in the Agricultural Overtime  
12 Award Fund, the department shall prescribe another application period of  
13 30 days to be administered in accordance with subsections (5) and (6) of this  
14 section.

15 “(c) Additional application periods must open no later than 90 days fol-  
16 lowing the close of the previous application period.

17 “(d) Applications may not be reviewed and awards may not be offered af-  
18 ter the earliest of:

19 “(A) The date on which all moneys in the Agricultural Overtime Award  
20 Fund have been obligated under award agreements;

21 “(B) The date on which the balance in the Agricultural Overtime Award  
22 Fund is less than \$10,000; or

23 “(C) June 30, 2025.

24 “(e) If the balance in the Agricultural Overtime Award Fund is less than  
25 \$10,000, all moneys in the fund shall be transferred to the General Fund.

26 “(8)(a) The department shall seek to enter into an award agreement with  
27 each approved applicant based on the offer made pursuant to subsection (6)  
28 of this section.

29 “(b) The award agreement must require the debtor to:

30 “(A) Promise to use the award proceeds to mitigate the costs associated

1 with the agricultural overtime compensation requirements under [section 2,  
2 chapter 115, Oregon Laws 2022] **ORS 653.272**;

3 “(B) Notify the department within 30 days if the debtor:

4 “(i) Decides not to apply for the tax credit; or

5 “(ii) Is notified by the Department of Revenue that the debtor is ineligible  
6 for the tax credit;

7 “(C) Repay the amount of the award interest-free, in monthly or quarterly  
8 installments of any amount, or in a single lump sum, at any time within a  
9 term not to exceed two years; and

10 “(D) Notwithstanding subparagraph (C) of this paragraph, repay the full  
11 amount of the award:

12 “(i) Within 30 days following the date on which the debtor notifies the  
13 department that the debtor will not apply for the tax credit;

14 “(ii) Within 30 days following the date on which the debtor notifies the  
15 department that the Department of Revenue has determined that the debtor  
16 is ineligible for the tax credit; or

17 “(iii) Upon a breach of the award agreement by the debtor that is not  
18 cured within 60 days.

19 “(9)(a) Any and all amounts of an award not fully repaid according to the  
20 award agreement shall be considered to be liquidated and delinquent and the  
21 department shall assign such amounts to the Department of Revenue for  
22 collection as provided in ORS 293.250.

23 “(b) If the department discovers that a person willfully made a false  
24 statement or misrepresentation, or willfully failed to report a material fact,  
25 to obtain an award under this section, the department may add to the  
26 amount the person is obligated to repay a penalty not to exceed 20 percent  
27 of the principal amount of the award so obtained, plus any applicable inter-  
28 est and fees associated with the Department of Revenue’s costs of collection.

29 “(10) All amounts repaid to the department or the Department of Revenue  
30 under this section, including award amounts, penalties, interest, fees and any



1 other charges, shall be transferred to the General Fund.

2 “(11) Notwithstanding any provision of ORS 314.835 or 314.840, the De-  
3 partment of Revenue and the department may share information that is re-  
4 lated to an eligible employer’s application for the tax credit, the sharing of  
5 which is necessary for the effective administration of this section.

6 “**SECTION 394b.** Section 2, chapter 12, Oregon Laws 2023, is amended to  
7 read:

8 “**Sec. 2.** (1) The Agricultural Overtime Award Fund is established in the  
9 State Treasury, separate and distinct from the General Fund. Interest earned  
10 by the Agricultural Overtime Award Fund shall be credited to the fund.

11 “(2) Moneys in the fund consist of:

12 “(a) Amounts appropriated or otherwise transferred or credited to the  
13 fund by the Legislative Assembly;

14 “(b) Earnings received on moneys in the fund; and

15 “(c) Other amounts from any source transferred or otherwise credited to  
16 the fund.

17 “(3) Moneys in the fund are continuously appropriated to the [*Oregon*  
18 *Business Development Department*] **Oregon Department of Commerce and**  
19 **Trade** for the following purposes:

20 “(a) Paying the actual costs incurred by the department in developing and  
21 administering section 1, **chapter 12, Oregon Laws 2023** [*of this 2023 Act*];  
22 and

23 “(b) Carrying out the provisions of section 1, **chapter 12, Oregon Laws**  
24 **2023**, [*of this 2023 Act*] in accordance with section 447 (1), chapter 110,  
25 Oregon Laws 2022.

26 “(4) Any moneys remaining in the fund on June 30, 2025, shall be trans-  
27 ferred to the General Fund.

28 “**SECTION 395.** Section 9, chapter 13, Oregon Laws 2023, as amended by  
29 section 7, chapter 283, Oregon Laws 2023, and section 7, chapter 326, Oregon  
30 Laws 2023, is amended to read:

1       **“Sec. 9.** (1) The Land Conservation and Development Commission shall  
2 adopt rules and amendments to rules related to urbanization as follows:

3       “(a) On or before June 30, 2024, adopt a schedule by which cities, as de-  
4 fined in ORS [197.286] **197A.015**, in Tillamook County shall demonstrate suf-  
5 ficient buildable lands;

6       “(b) On or before January 1, 2025, to implement ORS [197.290, 197.291,  
7 197.293,] 197.319 (4), 197.320 (13), [and] 197.335 (6), **197A.100, 197A.103 and**  
8 **197A.130**; and

9       “(c) On or before January 1, 2026, to implement ORS [197.286 to 197.314]  
10 **chapter 197A**, except as provided in paragraph (b) of this subsection.

11       “(2) In adopting rules under this section, the commission shall prioritize:

12       “(a) Facilitating and encouraging housing production, affordability and  
13 housing choice on buildable lands within an urban growth boundary;

14       “(b) Providing greater clarity and certainty in the adoption and ac-  
15 knowledgement of housing capacity analyses, urban growth boundary  
16 amendments, urban growth boundary exchanges or urban reserves to accom-  
17 modate an identified housing need;

18       “(c) Reducing analytical burden, minimizing procedural redundancy and  
19 increasing legal certainty for local governments pursuing urban growth  
20 boundary amendments, urban growth boundary exchanges or urban reserves  
21 where a housing need is identified, especially for smaller cities, consistent  
22 with the appropriate protection of resource lands; and

23       “(d) Supporting coordinated public facilities planning, annexation, and  
24 comprehensive plan amendments to facilitate the development of lands  
25 brought into an urban growth boundary.

26       “(3) In adopting rules under subsection (1)(b) of this section, the com-  
27 mission shall:

28       “(a) Consult with the Housing and Community Services Department, De-  
29 partment of Transportation, Department of Environmental Quality, Depart-  
30 ment of State Lands, [*Oregon Business Development Department*] **Oregon**

1 **Department of Commerce and Trade** and Department of Consumer and  
2 Business Services;

3 “(b) Provide clear parameters on the types and extent of actions needed  
4 or allowed under ORS [197.290] **197A.100** (3) that are consistent with the  
5 technical and resource capacities of varying sizes of local governments; and

6 “(c) Recognize actions already taken by local governments to support the  
7 development of all types of needed housing.

8 “(4) To avoid interference with current planning activities or to avoid  
9 unjust or surprising results, the Land Conservation and Development Com-  
10 mission may postpone, for cities specified by the commission, the applicabil-  
11 ity of [section 13, 21, 22 or 23, chapter 13, Oregon Laws 2023,] **ORS 197A.018,**  
12 **197A.210, 197A.270 or 197A.280** and the amendments to ORS [197.286, 197.290,  
13 197.296, 197.297 and 197.303] **197A.015, 197A.100, 197A.335, 197A.348 and**  
14 **197A.350** by sections 12 and 25 to 28, chapter 13, Oregon Laws 2023, until a  
15 date that is not later than January 1, 2027.

16 “(5) To provide for flexibility and coordination of county resources, the  
17 commission may adopt any policies or rules necessary to allow cities, as de-  
18 fined in ORS [197.286] **197A.015**, in Tillamook County to cooperate with the  
19 county in fulfilling any of the cities’ duties under ORS [197.286 to 197.314]  
20 **chapter 197A** or coordinating the distribution of any funds to the cities for  
21 such purposes.

22 “**SECTION 396.** Section 1, chapter 25, Oregon Laws 2023, as amended by  
23 section 6, chapter 89, Oregon Laws 2024, is amended to read:

24 “**Sec. 1.** (1) As used in sections 1 to 6, chapter 25, Oregon Laws 2023:

25 “(a) ‘Covered entity’ has the meaning given that term by 15 U.S.C. 4651(2).

26 “(b) ‘Covered incentive’ has the meaning given that term by 15 U.S.C.  
27 4651(3).

28 “(c) ‘Federal semiconductor financial assistance’ means assistance avail-  
29 able under the program established pursuant to 15 U.S.C. 4652(a)(1) or 15  
30 U.S.C. 4656(c) for financial assistance to the semiconductor industry.

1 “(d) ‘Program grants and loans’ means grants awarded and loans made  
2 under the program developed by the [*Oregon Business Development Depart-*  
3 *ment*] **Oregon Department of Commerce and Trade** pursuant to this sec-  
4 tion.

5 “(2)(a) The [*Oregon Business Development Department*] **Oregon Depart-**  
6 **ment of Commerce and Trade** shall develop a program to award grants  
7 and make loans from moneys in the Oregon CHIPS Fund established under  
8 section 6, chapter 25, Oregon Laws 2023, to businesses applying for federal  
9 semiconductor financial assistance.

10 “(b)(A) The program shall be administered by the department and the  
11 Governor as set forth in this section.

12 “(B) Notwithstanding the duties and powers conferred respectively on the  
13 department and the Governor under sections 1 to 6, chapter 25, Oregon Laws  
14 2023, the department and the Governor may consult each other with respect  
15 to any duty or power so conferred.

16 “(c) It is the intent of the Legislative Assembly that program grants and  
17 loans be treated by the United States Secretary of Commerce as covered in-  
18 centives for purposes of the federal semiconductor financial assistance pro-  
19 gram.

20 “(3)(a) Program grant and loan proceeds may be used solely for:

21 “(A) If a business’s application for federal semiconductor financial as-  
22 sistance is approved, activities undertaken in connection with the federal  
23 semiconductor financial assistance program; and

24 “(B) Regardless of whether a business’s application for federal semicon-  
25 ductor financial assistance is approved:

26 “(i) The development of a site for a semiconductor or other advanced  
27 manufacturing facility, including, but not limited to, the acquisition and  
28 aggregation of land;

29 “(ii) Research and development with respect to semiconductors or ad-  
30 vanced manufacturing; or

1 “(iii) Partnering with institutions of higher education, including, but not  
2 limited to, historically Black colleges and universities, career technical  
3 training institutions, regional collaborative groups, local workforce develop-  
4 ment boards as defined in ORS 660.300, programs funded through the federal  
5 Workforce Innovation and Opportunity Act (P.L. 113-128) and apprenticeship  
6 programs registered with the State Apprenticeship and Training Council for  
7 the purpose of workforce development and the creation of training, registered  
8 apprenticeship and internship opportunities, with respect to semiconductors  
9 or advanced manufacturing.

10 “(b) Contractors and subcontractors on construction projects funded by  
11 program grant or loan proceeds must pay for such projects a rate of wage  
12 that meets or exceeds the greater of:

13 “(A) The prevailing rate of wage for workers in each trade or occupation  
14 in each locality as determined by the Commissioner of the Bureau of Labor  
15 and Industries under ORS 279C.815; or

16 “(B) The prevailing rate of wage as determined by the United States  
17 Secretary of Labor under the Davis-Bacon Act (40 U.S.C. 3141 et seq.).

18 “(4)(a) A business that is a covered entity may apply to the department  
19 under section 2, chapter 25, Oregon Laws 2023, for a program grant or loan.

20 “(b)(A) Except as provided in subparagraph (B) of this paragraph, program  
21 grants and loans may not be awarded or made to any applicant in an amount  
22 greater than \$50 million.

23 “(B) The Governor may approve a program grant or loan under section  
24 3, chapter 25, Oregon Laws 2023, in an amount greater than \$50 million only  
25 after having given the Legislative Assembly at least 30 calendar days’ notice  
26 of the amount of the program grant or loan the Governor intends to approve.

27 “(c)(A) Program loans:

28 “(i) May be made for a term not to exceed 10 years, as negotiated by the  
29 business and, in consultation with the Governor, the department; and

30 “(ii) Except as provided in section 5 (3), chapter 25, Oregon Laws 2023,

1 shall be made at a zero rate of interest.

2 “(B) All amounts received by the department in repayment of a program  
3 loan shall be transferred to the Oregon CHIPS Fund established under sec-  
4 tion 6, chapter 25, Oregon Laws 2023.

5 “(d) Proceeds from a program grant or loan may be distributed in a single  
6 payment or in multiple, conditional payments, as specified in the program  
7 grant or loan agreement.

8 “(e)(A) Except as provided in paragraph (f) of this subsection, for every  
9 \$1 million in program grant or loan proceeds received, the recipient business  
10 must, over the period of the grant or loan agreement, generate at least:

11 “(i) If the term of the agreement is not more than five years, \$1.25 million  
12 in state and local revenue; or

13 “(ii) If the term of the agreement is more than five years, \$1.5 million in  
14 state and local revenue.

15 “(B) The department and the recipient business may specify in the pro-  
16 gram grant or loan agreement what the term ‘revenue’ includes.

17 “(f) In lieu of the requirement under paragraph (e) of this subsection, a  
18 recipient business may instead commit to the creation of new jobs in Oregon:

19 “(A) At least 65 percent of which are permanent, full-time positions; and

20 “(B) That pay on average at least the average median income for the re-  
21 gion of this state in which the services will be performed.

22 “(g)(A) In addition to program grants and loans, an application assistance  
23 grant, in an amount not to exceed \$50,000, may be awarded to a business  
24 whose application is approved under section 3, chapter 25, Oregon Laws 2023,  
25 for the costs of preparing and submitting the business’s application for fed-  
26 eral semiconductor financial assistance.

27 “(B) Application assistance grants may be made from moneys in the fund  
28 or from any other source of funding available for such purpose to the de-  
29 partment or the Governor.

30 “(5) Program grants receiving federal semiconductor financial assistance

1 under 15 U.S.C. 4656(c) are exempt from:

2 “(a) Subsection (4)(e) and (f) of this section;

3 “(b) Section 2 (1)(b)(G), chapter 25, Oregon Laws 2023; and

4 “(c) Section 5 (1)(a)(C), chapter 25, Oregon Laws 2023.

5 **“SECTION 397.** Section 1a, chapter 25, Oregon Laws 2023, is amended to  
6 read:

7 **“Sec. 1a.** (1) The Governor shall convene an advisory panel with the  
8 following membership:

9 “(a) The Governor or the Governor’s designees;

10 “(b) One or more representatives of the [*Oregon Business Development*  
11 *Department*] **Oregon Department of Commerce and Trade**, appointed by  
12 the Governor; and

13 “(c) No fewer than five individuals with expertise or experience in the  
14 semiconductor and advanced manufacturing industry, appointed by the Gov-  
15 ernor.

16 “(2) The advisory panel shall assist the Governor and the department in:

17 “(a) Establishing a statewide strategy to promote and expand Oregon’s  
18 semiconductor and advanced manufacturing industry and the supply chains  
19 associated with the industry;

20 “(b) Establishing application requirements for the grant and loan program  
21 developed by the department under section 1, **chapter 25, Oregon Laws**  
22 **2023**, [*of this 2023 Act*] so that program grants and loans will advance the  
23 statewide strategy established under paragraph (a) of this subsection; and

24 “(c) Determining the criteria for reviewing and scoring applications and  
25 weighting the preferences for approving applications and setting program  
26 grant and loan amounts under section 3 (2), **chapter 25, Oregon Laws 2023**  
27 [*of this 2023 Act*].

28 “(3) The advisory panel shall meet at least once before the department  
29 begins to develop the grant and loan program under section 1 (2), **chapter**  
30 **25, Oregon Laws 2023**, [*of this 2023 Act*] and once before the department

1 begins to prescribe the application process for the grant and loan program  
2 under section 2 (1), **chapter 25, Oregon Laws 2023** [*of this 2023 Act*].

3 **SECTION 398.** Section 2, chapter 25, Oregon Laws 2023, is amended to  
4 read:

5 **“Sec. 2.** (1)(a) The [*Oregon Business Development Department*] **Oregon**  
6 **Department of Commerce and Trade** shall prescribe an application pro-  
7 cess, including forms and deadlines, by which businesses may apply under  
8 this section for program grants and loans.

9 “(b) At a minimum, the application form must require the applicant  
10 business to:

11 “(A) Establish its eligibility to be treated by the United States Secretary  
12 of Commerce as a covered entity;

13 “(B) Include its statement of interest or draft application for federal  
14 semiconductor financial assistance;

15 “(C) Explain how the applicant business plans to comply with all appli-  
16 cable federal employment, labor and environmental standards;

17 “(D) Explain how the proposed activities of the applicant business will  
18 promote the expansion and long-term economic viability of the semiconductor  
19 industry in Oregon, including research and development, manufacturing and  
20 other critical links in the semiconductor supply chain;

21 “(E) State the amount of program grant or loan proceeds sought under  
22 this section along with a detailed description of the proposed expenditure  
23 of the proceeds;

24 “(F) If the application includes a request for an application assistance  
25 grant, state the amount of the application assistance grant sought and dem-  
26 onstrate the applicant business’s need for the application assistance grant;

27 “(G) Explain how the applicant business will meet the requirements under  
28 section 1 (4)(e) or (f), **chapter 25, Oregon Laws 2023** [*of this 2023 Act*],  
29 setting forth at a minimum such information as:

30 “(i) For state and local revenue, the kinds, amounts and timing of the



1 revenue to be generated; or

2 “(ii) For job creation, such information as the number, job descriptions,  
3 weekly hours, pay scale and locations of the proposed jobs;

4 “(H) Include any other information that the department or the Governor  
5 considers necessary or important for review of the application; and

6 “(I) Sign the application through an authorized director, officer, employee  
7 or agent under penalties for false swearing.

8 “(2)(a) Upon request, the department may consult with an applicant  
9 business about the business’s application, before or after submission.

10 “(b) An applicant business may amend and resubmit its application at any  
11 time within the application period.

12 “(3) Trade secrets, as defined in ORS 646.461, that are submitted to the  
13 department as part of an application under this section shall be exempt from  
14 disclosure under ORS 192.311 to 192.478 until January 1, 2027.

15 “**SECTION 399.** Section 3, chapter 25, Oregon Laws 2023, is amended to  
16 read:

17 “**Sec. 3.** (1)(a) The [*Oregon Business Development Department*] **Oregon**  
18 **Department of Commerce and Trade** and the Governor shall review all  
19 timely and complete applications for program grants and loans, with such  
20 distribution of duties and powers as the department and the Governor may  
21 arrange.

22 “(b) Within 90 days following receipt of an application, the department  
23 and the Governor shall:

24 “(A) Approve the application;

25 “(B) Approve the application for a program grant or loan, or application  
26 assistance grant, in an amount other than the amount requested; or

27 “(C) Reject the entire application or only the request for an application  
28 assistance grant.

29 “(c) For a program grant or loan in an amount greater than \$50 million,  
30 the Governor shall provide notice to the Legislative Assembly in accordance

1 with section 1 (4)(b)(B), **chapter 25, Oregon Laws 2023** [*of this 2023 Act*].

2 “(d) The decisions made with respect to an application are not subject to  
3 appeal.

4 “(2) In approving applications and setting program grant and loan  
5 amounts, the department and the Governor shall give preference to:

6 “(a) Projects that will promote the expansion and long-term economic vi-  
7 ability of the semiconductor industry in Oregon, including research and de-  
8 velopment, manufacturing and other critical links in the semiconductor  
9 supply chain;

10 “(b) Projects that will promote and extend Oregon’s leadership in the field  
11 of technology;

12 “(c) Projects that will attract manufacturing jobs to Oregon;

13 “(d) Projects that will secure supply in Oregon for critical sectors of the  
14 state economy;

15 “(e) Projects that reflect an applicant business’s established relationship,  
16 or commitment to build a relationship, with organizations focused on devel-  
17 oping a diverse workforce pipeline;

18 “(f) Applicant businesses that have at least 10 full-time employees in  
19 Oregon;

20 “(g) Applicant businesses that have formed partnerships for the purpose  
21 of workforce development or the creation of training, registered apprentice-  
22 ship or internship opportunities;

23 “(h)(A) Applicant businesses that commit to generating a greater amount  
24 of state and local revenue in accordance with section 1 (4)(e), **chapter 25,**  
25 **Oregon Laws 2023** [*of this 2023 Act*]; or

26 “(B) Applicant businesses that commit to creating a higher percentage of  
27 new permanent full-time jobs in accordance with section 1 (4)(f), **chapter**  
28 **25, Oregon Laws 2023** [*of this 2023 Act*];

29 “(i) Applications that propose projects described in 15 U.S.C.  
30 4652(a)(2)(B)(i) that will incorporate significant participation by businesses

1 owned by members of underrepresented communities and economically dis-  
2 advantaged individuals; and

3 “(j) Applications that, taken together, represent regional diversity in  
4 Oregon.

5 “(3)(a) As soon as practicable after making decisions under subsection (1)  
6 of this section, the department shall:

7 “(A) Notify the applicant business of the decision and the reasons for the  
8 decision; and

9 “(B) For an approved application, offer to the applicant business a pro-  
10 gram grant or loan agreement and, if applicable, an application assistance  
11 grant.

12 “(b) Upon entering into a program grant or loan agreement with the ap-  
13 plicant business, the department shall distribute to the business from the  
14 Oregon CHIPS Fund established under section 6, **chapter 25, Oregon Laws**  
15 **2023**, [of this 2023 Act] the amount set forth in the agreement.

16 “(4)(a) If a business that has entered into an agreement pursuant to this  
17 section changes ownership during the term of the agreement, the department  
18 and the Governor may allow the continued use of the program grant or loan  
19 proceeds provided the business enters into a new agreement with the de-  
20 partment that commits the business to continuing the project as proposed in  
21 the application approved under this section.

22 “(b) In the new agreement, the department may agree to minor changes  
23 in the terms of the original agreement that the department and the Governor  
24 considers reasonable in the circumstances and faithful to the purpose for  
25 which the business’s application was approved.

26 “**SECTION 400.** Section 4, chapter 25, Oregon Laws 2023, is amended to  
27 read:

28 “**Sec. 4.** (1) At least once every six months following the date on which  
29 a business enters into a program grant or loan agreement with the [*Oregon*  
30 *Business Development Department*] **Oregon Department of Commerce and**

1 **Trade** under section 3, **chapter 25, Oregon Laws 2023** [*of this 2023 Act*], for  
2 as long as the agreement is in effect, the business shall report to the de-  
3 partment the following:

4 “(a) The status of the business’s application for federal semiconductor fi-  
5 nancial assistance;

6 “(b) Progress on the project to construct, expand or modernize the facility  
7 for which the grant was awarded or the loan made, including, but not limited  
8 to, the acquisition or aggregation of land and the status of the permits re-  
9 quired for the project;

10 “(c)(A) State and local revenue generated in accordance with section 1  
11 (4)(e), **chapter 25, Oregon Laws 2023** [*of this 2023 Act*], setting forth at a  
12 minimum the kinds, amounts and timing of the revenue generated, as well  
13 as of any proposed revenue yet to be generated; or

14 “(B) The number of jobs created in accordance with section 1 (4)(f),  
15 **chapter 25, Oregon Laws 2023**, [*of this 2023 Act*] and the job descriptions,  
16 weekly hours, pay scale and locations of the jobs, as well as of jobs yet to  
17 be created;

18 “(d) Any research and development work conducted with respect to semi-  
19 conductors or advanced manufacturing;

20 “(e) Any partnerships the business has engaged in with institutions of  
21 higher education or regional workforce programs for the purpose of  
22 workforce development and the creation of training, registered apprentice-  
23 ship and internship opportunities;

24 “(f) The status of any other consideration for which the business’s appli-  
25 cation was given preference under section 3 (2), **chapter 25, Oregon Laws**  
26 **2023** [*of this 2023 Act*];

27 “(g) The economic impact of the project on businesses in this state, in-  
28 cluding, but not limited to, the impact on supply chains;

29 “(h) The economic and environmental impact of the project on communi-  
30 ties in this state; and

1 “(i) Any other information required by the department or the Governor.

2 “(2) Not later than March 15 and September 15 of each year in which any  
3 program grant or loan agreement remains in effect, the department shall  
4 submit to the [*Oregon Business Development Commission*] **Oregon Com-**  
5 **merce and Trade Commission** established under ORS 285A.040 a report  
6 summarizing the semiannual information received from businesses pursuant  
7 to subsection (1) of this section.

8 “(3) Not later than September 15 of each year in which any program grant  
9 or loan agreement remains in effect, the department shall submit, in the  
10 manner required under ORS 192.245, a report summarizing the information  
11 received from businesses pursuant to subsection (1) of this section, to the  
12 interim committees of the Legislative Assembly related to economic devel-  
13 opment.

14 **“SECTION 401.** Section 5, chapter 25, Oregon Laws 2023, is amended to  
15 read:

16 **“Sec. 5.** (1)(a) A business that received a program grant or loan, including  
17 an application assistance grant, shall become liable for immediate repayment  
18 of the full amount of the grant or the outstanding principal amount of the  
19 loan, if:

20 “(A) The business has not begun, on or before January 1, 2027, the process  
21 of applying for permits required for the project for which the grant was  
22 awarded or the loan made;

23 “(B) The project changes substantially from the project for which the  
24 business’s application was approved such that the project would not have  
25 been eligible for the program grant or loan;

26 “(C) On or before the earlier of a date, if any, specified in the program  
27 grant or loan agreement or January 1, 2033:

28 “(i) The business has not generated state and local revenue in accordance  
29 with section 1 (4)(e), **chapter 25, Oregon Laws 2023** [*of this 2023 Act*]; or

30 “(ii) The business has not created new permanent full-time jobs in ac-

1 cordance with section 1 (4)(f), **chapter 25, Oregon Laws 2023** [*of this 2023*  
2 *Act*];

3 “(D) The business has not complied with all environmental standards ap-  
4 plicable to the project under law or has not cured its noncompliance within  
5 a reasonable time, as determined by the [*Oregon Business Development De-*  
6 *partment*] **Oregon Department of Commerce and Trade** or the Governor;  
7 or

8 “(E) The business has not complied with all labor standards applicable to  
9 the project under law or the program grant or loan agreement or has not  
10 cured its noncompliance within a reasonable time, as determined by the de-  
11 partment or the Governor.

12 “(b) If a project is suspended for a reason beyond the control of the  
13 business, as determined by the department or the Governor, the amount to  
14 be repaid shall be in proportion to the percentage of the project that has not  
15 been completed at the time of suspension.

16 “(2) Any and all amounts required to be repaid under this section shall  
17 be considered to be liquidated and delinquent, and the [*Oregon Business De-*  
18 *velopment Department*] **Oregon Department of Commerce and Trade** shall  
19 assign such amounts to the Department of Revenue for collection as provided  
20 in ORS 293.250.

21 “(3) If the [*Oregon Business Development Department*] **Oregon Depart-**  
22 **ment of Commerce and Trade** or the Governor discovers that a business  
23 willfully made a false statement or misrepresentation, or willfully failed to  
24 report a material fact, to obtain a program grant or loan, or an application  
25 assistance grant, under sections 1 to 6, **chapter 25, Oregon Laws 2023** [*of*  
26 *this 2023 Act*], the [*Oregon Business Development Department*] **Oregon De-**  
27 **partment of Commerce and Trade** may add to the amount the business is  
28 obligated to repay a penalty not to exceed 20 percent of the principal amount  
29 of the program grant or loan so obtained, plus any applicable interest and  
30 fees associated with the Department of Revenue’s costs of collection.

1 “(4) Subject to ORS 293.250, all amounts repaid to the [*Oregon Business*  
2 *Development Department*] **Oregon Department of Commerce and Trade**  
3 or the Department of Revenue under this section, including award amounts,  
4 penalties, interest, fees and any other charges, shall be transferred to the  
5 Oregon CHIPS Fund established under section 6, **chapter 25, Oregon Laws**  
6 **2023** [*of this 2023 Act*].

7 “**SECTION 402.** Section 6, chapter 25, Oregon Laws 2023, as amended by  
8 section 5, chapter 81, Oregon Laws 2024, and section 7, chapter 89, Oregon  
9 Laws 2024, is amended to read:

10 “**Sec. 6.** (1) The Oregon CHIPS Fund is established in the State Treasury,  
11 separate and distinct from the General Fund. Interest earned by the Oregon  
12 CHIPS Fund shall be credited to the fund.

13 “(2) Moneys in the fund shall consist of:

14 “(a) Amounts appropriated or otherwise transferred or credited to the  
15 fund by the Legislative Assembly;

16 “(b) Earnings received on moneys in the fund; and

17 “(c) Other moneys, or proceeds of property, from any public or private  
18 source that are transferred, donated or otherwise credited to the fund.

19 “(3) Moneys in the Oregon CHIPS Fund are continuously appropriated to  
20 the [*Oregon Business Development Department*] **Oregon Department of**  
21 **Commerce and Trade** for the following purposes:

22 “(a) Paying the actual costs incurred by the department in developing and  
23 administering sections 1 to 6, chapter 25, Oregon Laws 2023;

24 “(b) Carrying out the provisions of sections 1 to 6, chapter 25, Oregon  
25 Laws 2023;

26 “(c) Transferring moneys to the Semiconductor Talent Sustaining Fund  
27 established under section 2, **chapter 89, Oregon Laws 2024** [*of this 2024*  
28 *Act*]; and

29 “(d) Transferring moneys to the CHIPS Child Care Fund established un-  
30 der section 3, **chapter 81, Oregon Laws 2024**, [*of this 2024 Act*] for **the**

1 purpose of carrying out section 2, **chapter 81, Oregon Laws 2024** [*of this*  
2 *2024 Act*].

3 “(4) Moneys in the Oregon CHIPS Fund on June 30, 2023, shall be re-  
4 tained in the fund, and used for the purposes set forth in subsection (3) of  
5 this section, until June 30, 2025.

6 “(5) Any moneys remaining in the Oregon CHIPS Fund on June 30, 2025,  
7 shall be transferred to the General Fund.

8 “**SECTION 403.** Section 5, chapter 298, Oregon Laws 2023, is amended to  
9 read:

10 “**Sec. 5.** (1) In order to be allowed a credit under [*section 2 of this 2023*  
11 *Act*] **ORS 315.518** for a tax year beginning in calendar year 2024, a taxpayer  
12 that intends to claim the credit for that tax year shall file not later than  
13 December 1, 2023, a registration with the [*Oregon Business Development De-*  
14 *partment*] **Oregon Department of Commerce and Trade.**

15 “(2) The registration required under this section shall be submitted in a  
16 form and manner prescribed by the department by rule and shall include:

17 “(a) Documentation of the taxpayer’s qualified research expenses and  
18 basic research expenses under [*section 2 of this 2023 Act*] **ORS 315.518**, av-  
19 eraged over the three preceding calendar years; and

20 “(b) A projection, for the tax year beginning in calendar year 2024, of the  
21 taxpayer’s qualified research expenses and basic research expenses under  
22 [*section 2 of this 2023 Act*] **ORS 315.518.**

23 “(3) Not later than December 31, 2023, the department shall provide ac-  
24 knowledgment to any taxpayer that has timely registered under this section  
25 and shall provide preliminary confirmation that the taxpayer appears eligible  
26 for the credit allowed under [*section 2 of this 2023 Act*] **ORS 315.518.**

27 “(4) The department shall submit information collected pursuant to this  
28 section to the Legislative Revenue Officer not later than February 1, 2024.

29 “(5) Any taxpayer that does not register as required under this section is  
30 not eligible to claim a credit under [*section 2 of this 2023 Act*] **ORS 315.518**



1 for a tax year beginning in calendar year 2024.

2 “(6) This section does not apply to taxpayer eligibility for credits allowed  
3 for any tax year that begins on or after January 1, 2025.

4 **“SECTION 404.** Section 10, chapter 546, Oregon Laws 2023, as amended  
5 by section 2, chapter 29, Oregon Laws 2024, is amended to read:

6 **“Sec. 10.** (1) As used in this section:

7 “(a) ‘County fair’ and ‘county fairgrounds’ have the meanings given those  
8 terms in ORS 565.010.

9 “(b) ‘County fair operator’ means a county fair board, fair association or  
10 fair district that operates a county fair.

11 “(c)(A) ‘Earned revenue’ means revenue from the sale of goods or services,  
12 including, but not limited to, admission tickets, charges for services, rentals,  
13 permits and fees, merchandise, food and beverages, advertising and con-  
14 tracted services and performances.

15 “(B) ‘Earned revenue’ does not include other sources of revenue, includ-  
16 ing, but not limited to, donations, federal, state and local governmental  
17 grants or returns on investments.

18 “(d) ‘Fair association’ has the meaning given that term in ORS 565.268.

19 “(e) ‘Fair district’ means an entity described in ORS 565.275.

20 “(f) ‘Fair operator’ means a county fair operator or the Oregon State Fair  
21 and Expo Center.

22 “(g) ‘Oregon State Fair’ has the meaning given that term in ORS 565.451.

23 “(h) ‘State fairgrounds’ means fairground properties and facilities, as de-  
24 fined in ORS 565.451.

25 “(2) The [*Oregon Business Development Department*] **Oregon Department**  
26 **of Commerce and Trade** shall develop and implement a program for  
27 awarding grants directly to:

28 “(a) County fair operators for the operation of county fairs and the  
29 maintenance and repair of county fairgrounds; and

30 “(b) The Oregon State Fair and Expo Center for the operation of the

1 Oregon State Fair and the maintenance and repair of state fairgrounds.

2 “(3) To be eligible for a grant, a fair operator must demonstrate to the  
3 department’s satisfaction that, at any time after February 29, 2020, and be-  
4 fore June 30, 2023, the fair operator experienced a significant loss in earned  
5 revenue from the operation of a county fair or county fairgrounds, or the  
6 operation of the Oregon State Fair or state fairgrounds, because of statewide  
7 mandates, or guidance of the Oregon Health Authority, in response to the  
8 COVID-19 pandemic.

9 “(4)(a) The department shall prescribe the form and process, including the  
10 application period, by which fair operators may apply for and be awarded  
11 grants under the program.

12 “(b) Applications must, at a minimum, require applicants to state their  
13 lost earned revenue as described in subsection (3) of this section.

14 “(c) For purposes of reviewing applications, the department may require  
15 applicants to provide:

16 “(A) The applicant’s federal tax return for the periods to which the ap-  
17 plication relates; and

18 “(B) Financial documentation, including, but not limited to, audited fi-  
19 nancial statements or financial statements that have been approved by a  
20 certified public accountant.

21 “(5) Before awarding grants, the department may withhold an amount not  
22 to exceed five percent of the total amount allocated under section 9, chapter  
23 546, Oregon Laws 2023, to reimburse the department for the actual costs of  
24 developing and implementing the program.

25 “(6) The department shall award grants to reimburse fair operators for  
26 lost earned revenue supported by their applications as follows:

27 “(a) If the total of all grant award amounts exceeds \$3 million, less any  
28 amount withheld under subsection (5) of this section, the amounts shall be  
29 reduced proportionally until they equal \$3 million, less any amount withheld  
30 under subsection (5) of this section; or

1 “(b) If the total of all grant award amounts is less than \$3 million, less  
2 any amount withheld under subsection (5) of this section, the amounts shall  
3 be increased proportionally until they equal \$3 million, less any amount  
4 withheld under subsection (5) of this section.

5 **“SECTION 405.** Section 45, chapter 599, Oregon Laws 2023, as amended  
6 by section 6, chapter 104, Oregon Laws 2024, is amended to read:

7 **“Sec. 45.** (1) For the biennium beginning July 1, 2025, at the request of  
8 the Oregon Department of Administrative Services, after the department  
9 consults with the [*Oregon Business Development Department*] **Oregon De-**  
10 **partment of Commerce and Trade**, the State Treasurer is authorized to  
11 issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that  
12 produces \$20 million in net proceeds for the purposes described in subsection  
13 (2) of this section, plus an additional amount estimated by the State Treas-  
14 urer to be necessary to pay bond-related costs.

15 “(2) Net proceeds of lottery bonds issued under this section must be  
16 transferred to the [*Oregon Business Development Department*] **Oregon De-**  
17 **partment of Commerce and Trade** for deposit in the Coos Bay Channel  
18 Fund established by section 15, chapter 746, Oregon Laws 2007, for distrib-  
19 ution to the Oregon International Port of Coos Bay to deepen and widen the  
20 Coos Bay Federal Navigation Channel and for the design, engineering, per-  
21 mitting and land acquisition efforts related to the Pacific Coast Intermodal  
22 Port project.

23 “(3) The Legislative Assembly finds that the use of lottery bond proceeds  
24 will create jobs, further economic development, finance public education or  
25 restore and protect parks, beaches, watersheds and native fish and wildlife,  
26 and is authorized based on the finding that port facilities and related  
27 infrastructure are an integral part of the commercial and industrial  
28 infrastructure of this state, and promote economic development.

29 **“SECTION 406.** Section 28, chapter 606, Oregon Laws 2023, is amended  
30 to read:

1       **“Sec. 28.** (1) The [*Oregon Business Development Department*] **Oregon**  
2 **Department of Commerce and Trade** shall establish and administer the  
3 Aquifer Recharge Due Diligence Grant Program under which the Oregon  
4 Infrastructure Finance Authority established under ORS 285A.096 may award  
5 due diligence grants, in accordance with this section and section 29, **chapter**  
6 **606, Oregon Laws 2023** [*of this 2023 Act*], to public bodies listed in sub-  
7 section (2) of this section in order to fund activities set forth in subsection  
8 (3) of this section.

9       “(2) Any of the following public bodies may apply for a due diligence  
10 grant under the program in the manner prescribed under section 29, **chapter**  
11 **606, Oregon Laws 2023** [*of this 2023 Act*]:

12       “(a) A municipal subdivision of this state.

13       “(b) A port organized under ORS chapter 777 or 778.

14       “(c) A district as defined in ORS 198.010.

15       “(d) An Oregon Indian tribe as defined in ORS 294.805.

16       “(e) A county.

17       “(3) The authority may award grants to fund any of the following due  
18 diligence activities related to aquifer recharge and aquifer storage and re-  
19 covery:

20       “(a) Test pit construction.

21       “(b) Borings and soil sampling necessary to design recharge basin or  
22 aquifer storage and recovery well size and location.

23       “(c) Aquifer modeling necessary to meet the standards for a request to the  
24 Water Resources Department for a limited license under ORS 537.143 and  
25 537.144 or to test aquifer storage and recovery in accordance with testing  
26 criteria under ORS 537.505 to 537.534.

27       “(d) Design and engineering necessary to reach the final 50 percent of  
28 design and engineering necessary to result in a biddable project for aquifer  
29 recharge basins, aquifer storage and recovery wells and works, aquifer stor-  
30 age and recovery treatment systems and conveyance works from water source

1 to recharge site.

2 “(e) Sampling required by the Department of Environmental Quality to  
3 establish parameters for monitoring and sampling source water quality and  
4 aquifer water quality.

5 “(f) Monitoring and sampling plan development associated with limited  
6 license requirements of the Water Resources Department and the Department  
7 of Environmental Quality.

8 “(g) Applying for a limited license and public coordination.

9 “(4) All or a portion of the basin or aquifer to which a grant application  
10 relates must have been:

11 “(a) Restrictively classified under ORS 536.340;

12 “(b) Withdrawn by the Water Resources Department from further  
13 groundwater appropriation under ORS 536.410; or

14 “(c) Designated as critical under statute or rule or order of the Water  
15 Resources Commission or the Water Resources Department.

16 “(5) The [*Oregon Business Development Department*] **Oregon Department**  
17 **of Commerce and Trade** may adopt any rules the department considers  
18 necessary or convenient for the administration of this section and section  
19 29, **chapter 606, Oregon Laws 2023** [*of this 2023 Act*].

20 “**SECTION 407.** Section 29, chapter 606, Oregon Laws 2023, is amended  
21 to read:

22 “**Sec. 29.** (1) The governing body of a public body listed in section 28,  
23 **chapter 606, Oregon Laws 2023**, [*of this 2023 Act*] seeking a due diligence  
24 grant under this section and section 28, **chapter 606, Oregon Laws 2023**,  
25 [*of this 2023 Act*] must submit to the [*Oregon Business Development Depart-*  
26 *ment*] **Oregon Department of Commerce and Trade** an application in the  
27 form and manner prescribed by the department.

28 “(2) To qualify for a due diligence grant, an application must be accom-  
29 panied by documentation satisfactory to the department that the following  
30 items have been completed or are available for inspection:

1 “(a)(A) A United States Geological Survey ground water characterization  
2 model for the targeted aquifer establishing a baseline of aquifer properties;

3 “(B) A peer-reviewed academic model for the targeted aquifer establishing  
4 a baseline of aquifer properties; or

5 “(C) Documentation of agency-developed or publicly developed reports  
6 determining that the targeted aquifer is a potential candidate for recharge  
7 testing in order to prove that baseline data exists to warrant additional due  
8 diligence for recharging the aquifer;

9 “(b) Documentation establishing that source water is available to conduct  
10 aquifer recharge testing at the targeted volume and rate of the test;

11 “(c) Documentation establishing that ground water use in the targeted  
12 aquifer has been monitored and metered for at least five years immediately  
13 prior to the date on which the application is submitted; and

14 “(d) Documentation showing that the basin or aquifer to which the ap-  
15 plication relates is eligible under section 28 (4), **chapter 606, Oregon Laws**  
16 **2023** [*of this 2023 Act*].

17 “(3)(a) Once the department has determined that an application is com-  
18 plete, the department shall approve or reject the application.

19 “(b) Rejection of an application does not preclude the governing body  
20 from reapplying at any time with respect to the same or another basin or  
21 aquifer.

22 “(c) If the department approves an application, the Oregon Infrastructure  
23 Finance Authority shall determine the amount of the grant award in ac-  
24 cordance with subsection (4) of this section and the department shall dis-  
25 burse the moneys to the applicant.

26 “(d) Rejection of an application and the amount of a grant award may not  
27 be appealed.

28 “(4) The authority may award grants in any amount that does not exceed  
29 the eligible due diligence costs substantiated in the application.

30 “**SECTION 408.** Section 30, chapter 606, Oregon Laws 2023, is amended

1 to read:

2 “**Sec. 30.** (1) The [*Oregon Business Development Department*] **Oregon**  
3 **Department of Commerce and Trade** shall establish and administer the  
4 Aquifer Recharge Testing Forgivable Loan Program under which the Oregon  
5 Infrastructure Finance Authority may make forgivable loans, in accordance  
6 with this section and section 31, **chapter 606, Oregon Laws 2023** [*of this*  
7 *2023 Act*], to public bodies listed in subsection (2) of this section in order to  
8 fund the costs set forth in subsection (3) of this section.

9 “(2) Any of the following public bodies may apply for a forgivable loan  
10 under the program in the manner prescribed under section 31, **chapter 606,**  
11 **Oregon Laws 2023** [*of this 2023 Act*]:

12 “(a) A municipal subdivision of this state.

13 “(b) A port organized under ORS chapter 777 or 778.

14 “(c) A district as defined in ORS 198.010.

15 “(d) An Oregon Indian tribe as defined in ORS 294.805.

16 “(e) A county.

17 “(3) The authority may make forgivable loans for any of the following  
18 costs related to aquifer recharge and aquifer storage and recovery testing:

19 “(a) Energy costs.

20 “(b) Operation and maintenance costs associated with the treatment and  
21 delivery of source water for the purposes of testing aquifer recharge or  
22 aquifer storage and recovery.

23 “(c) Monitoring and reporting costs required by the monitoring plan of a  
24 limited license.

25 “(4) All or a portion of the basin or aquifer to which a loan application  
26 relates must have been:

27 “(a) Restrictively classified under ORS 536.340;

28 “(b) Withdrawn by the Water Resources Department from further  
29 groundwater appropriation under ORS 536.410; or

30 “(c) Designated as critical under statute or rule or order of the Water

1 Resources Commission or the Water Resources Department.

2 “(5) Forgivable loans shall be made under this section and section 31,  
3 **chapter 606, Oregon Laws 2023**, [of this 2023 Act] in a principal amount  
4 that does not exceed the costs set forth in the application over the period,  
5 not to exceed five years, of the limited license issued by the Water Resources  
6 Department under ORS 537.143 and 537.144 or 537.505 to 537.534 that is as-  
7 sociated with the application submitted under section 31, **chapter 606,**  
8 **Oregon Laws 2023** [of this 2023 Act].

9 “(6) The [Oregon Business Development Department] **Oregon Department**  
10 **of Commerce and Trade** may adopt any rules the department considers  
11 necessary or convenient for the administration of this section and section  
12 31, **chapter 606, Oregon Laws 2023** [of this 2023 Act].

13 **“SECTION 409.** Section 31, chapter 606, Oregon Laws 2023, is amended  
14 to read:

15 **“Sec. 31.** (1)(a) The governing body of a public body listed in section 30,  
16 **chapter 606, Oregon Laws 2023**, [of this 2023 Act] seeking a forgivable loan  
17 under this section and section 30, **chapter 606, Oregon Laws 2023**, [of this  
18 2023 Act] must submit to the [Oregon Business Development Department]  
19 **Oregon Department of Commerce and Trade** an application in the form  
20 and manner prescribed by the department.

21 “(b) To qualify for a forgivable loan, an application must be accompanied  
22 by documentation:

23 “(A) Of a valid limited license to conduct aquifer recharge testing or  
24 aquifer storage and recovery testing at the site to which the application re-  
25 lates; and

26 “(B) That shows the basin or aquifer to which the application relates is  
27 eligible under section 30 (4), **chapter 606, Oregon Laws 2023** [of this 2023  
28 Act].

29 “(2)(a) Once the department has determined that an application is com-  
30 plete, the department shall approve or reject the application.



1 “(b) Rejection of an application does not preclude the governing body  
2 from reapplying at any time with respect to the same or another basin or  
3 aquifer.

4 “(c) If the department approves an application, the Oregon Infrastructure  
5 Finance Authority shall determine the amount of the forgivable loan in ac-  
6 cordance with section 30 (5), **chapter 606, Oregon Laws 2023**, [*of this 2023*  
7 *Act*] and the department shall duly negotiate a loan agreement with the ap-  
8 plicant.

9 “(d) Rejection of an application and the amount of a forgivable loan may  
10 not be appealed.

11 “(3)(a) Upon completion of the activities for which the forgivable loan  
12 was made, the governing body that received the loan must submit documen-  
13 tation satisfactory to the department that 100 percent of the water placed  
14 into the recharge went into the waters of this state and was not recovered  
15 under a secondary use limited license or secondary use permit obtained under  
16 ORS 537.534.

17 “(b) If the department is satisfied with the documentation, 100 percent of  
18 the amount of the loan shall be forgiven.

19 “(c) If the department determines that water was used impermissibly  
20 within the terms of paragraph (a) of this subsection, the department may  
21 require repayment of the loan in an amount proportional to the percentage  
22 of the water that was used impermissibly, with interest at a rate not to ex-  
23 ceed five percent.

24 “(d) Loan amounts and interest repaid under paragraph (c) of this sub-  
25 section shall be credited to the Aquifer Recharge Fund established under  
26 section 33, **chapter 606, Oregon Laws 2023** [*of this 2023 Act*].

27 “**SECTION 410.** Section 32, chapter 606, Oregon Laws 2023, is amended  
28 to read:

29 “**Sec. 32.** Not later than September 15 of each year, the [*Oregon Business*  
30 *Development Department*] **Oregon Department of Commerce and Trade**

1 recipients of funding under sections 28 to 33, **chapter 606, Oregon Laws**  
2 **2023**, [of this 2023 Act] shall prepare and submit a report, in the manner re-  
3 quired under ORS 192.245, to the interim committees of the Legislative As-  
4 sembly related to water, detailing the use of the funding and the results of  
5 the recharge testing so funded.

6 **“SECTION 411.** Section 33, chapter 606, Oregon Laws 2023, is amended  
7 to read:

8 **“Sec. 33.** (1) The Aquifer Recharge Fund is established in the State  
9 Treasury, separate and distinct from the General Fund. Interest earned by  
10 the Aquifer Recharge Fund shall be credited to the fund. All moneys in the  
11 fund are continuously appropriated to the [Oregon Business Development  
12 Department] **Oregon Department of Commerce and Trade** for the use of  
13 the Oregon Infrastructure Finance Authority established under ORS 285A.096  
14 to fulfill the purposes set forth in sections 28 to 33, **chapter 606, Oregon**  
15 **Laws 2023** [of this 2023 Act].

16 “(2) The fund shall consist of all moneys credited to the fund, including  
17 but not limited to:

18 “(a) Moneys appropriated, allocated, transferred or otherwise credited to  
19 the fund by the Legislative Assembly, the department or the authority;

20 “(b) Earnings received on moneys in the fund;

21 “(c) Repayment of financial assistance provided under sections 28 to 33,  
22 **chapter 606, Oregon Laws 2023** [of this 2023 Act], including interest;

23 “(d) Moneys transferred to the fund from the federal government, state  
24 agencies or local governments; and

25 “(e) Moneys deposited in the fund from any other source, including, but  
26 not limited to, grants and gifts.

27 “(3) The authority may directly or indirectly grant, expend or lend moneys  
28 in the fund for the purposes set forth in sections 28 to 33, **chapter 606,**  
29 **Oregon Laws 2023** [of this 2023 Act].

30 “(4)(a) The authority shall administer the fund.

1 “(b) The [*Oregon Business Development Department*] **Oregon Department**  
2 **of Commerce and Trade** may adopt rules and policies for the adminis-  
3 tration of the fund.

4 **“SECTION 412.** Section 1, chapter 54, Oregon Laws 2024, is amended to  
5 read:

6 **“Sec. 1.** (1) The America 250 Oregon Commission is established, consist-  
7 ing of 27 members appointed as provided in subsection (2) of this section.

8 “(2)(a) The President of the Senate shall appoint two nonvoting members  
9 from among members of the Senate, one from the majority party and one  
10 from the minority party.

11 “(b) The Speaker of the House of Representatives shall appoint two non-  
12 voting members from among members of the House of Representatives, one  
13 from the majority party and one from the minority party.

14 “(c) The Governor shall appoint 13 voting members as follows:

15 “(A) One member representing the Oregon Heritage Commission.

16 “(B) One member representing the Oregon Arts Commission.

17 “(C) One member representing the Trust for Cultural Development Board.

18 “(D) One member representing the Commission on Black Affairs.

19 “(E) One member representing the Commission on Asian and Pacific  
20 Islander Affairs.

21 “(F) One member representing the Commission on Hispanic Affairs.

22 “(G) One member representing the Commission for Women.

23 “(H) Six members representing the public at large.

24 “(d) The following 10 voting members shall serve ex officio:

25 “(A) The Executive Director of the Oregon Historical Society or the  
26 executive director’s designee.

27 “(B) The State Treasurer or the treasurer’s designee.

28 “(C) The Secretary of State or the secretary’s designee.

29 “(D) The Deputy Superintendent of Public Instruction or the deputy  
30 superintendent’s designee.

1 “(E) The State Parks and Recreation Director or the director’s designee.

2 “(F) The Director of the [*Oregon Business Development Department*]  
3 **Oregon Department of Commerce and Trade** or the director’s designee.

4 “(G) The executive director of the Oregon Tourism Commission or the  
5 executive director’s designee.

6 “(H) The Director of Veterans’ Affairs or the director’s designee.

7 “(I) The Governor’s director of tribal affairs or the director’s designee.

8 “(J) The Executive Officer of the Commission on Indian Services or the  
9 executive officer’s designee.

10 “(e) The America 250 Oregon Commission may by majority vote invite  
11 additional individuals to serve as nonvoting honorary members of the com-  
12 mission.

13 “(f) If there is a vacancy for any cause, the appointing authority shall  
14 make an appointment to become immediately effective.

15 “(3) The commission shall:

16 “(a) Coordinate and provide guidance for Oregon’s official observance of  
17 the 250th anniversary of the establishment of the United States, as marked  
18 by the Declaration of Independence in 1776.

19 “(b) Consult with the nine federally recognized Indian tribes in Oregon  
20 when planning and developing activities throughout the state in order to  
21 meaningfully include Oregon’s tribal history.

22 “(c) Seek to ensure an official observance that is inclusive and shares the  
23 histories of Oregon’s diverse populations, including the histories of the Na-  
24 tive American peoples who have an ancestral and tradition connection to  
25 this state.

26 “(4) The commission may:

27 “(a) Adopt rules necessary for the operation of the commission;

28 “(b) Cooperate with national, regional, state, local and Native American  
29 organizations, institutions, bodies and other public or private entities that  
30 are promoting the semiquincentennial;

1 “(c) Plan, conduct and assist with semiquincentennial events;  
2 “(d) Plan, support and produce educational resources and programs re-  
3 lated to the semiquincentennial;  
4 “(e) Engage in and encourage fundraising activities, including, but not  
5 limited to, the solicitation of charitable gifts, grants or donations;  
6 “(f) Coordinate interagency participation in the observance;  
7 “(g) Create subcommittees of the commission comprising members of the  
8 commission, members appointed from the public at large and honorary  
9 members to further the goals of the commission; and  
10 “(h) Engage in any other activity related to the powers and duties con-  
11 ferred on the commission under this section.  
12 “(5) The commission shall meet at times and places specified by the call  
13 of the chairperson or of a majority of the voting members of the commission.  
14 “(6) A majority of the voting members of the commission constitutes a  
15 quorum for the transaction of business.  
16 “(7) Official action by the commission requires the approval of a majority  
17 of the voting members of the commission.  
18 “(8) The Executive Director of the Oregon Historical Society or the  
19 executive director’s designee shall serve as chairperson.  
20 “(9) The Oregon Historical Society shall:  
21 “(a) Provide staff support to the commission.  
22 “(b) Direct and supervise the budgeting, recordkeeping, reporting and re-  
23 lated administrative and clerical functions of the commission.  
24 “(c) Print and disseminate for the commission any required notices, rules  
25 or orders adopted by the commission.  
26 “(d) Expend and allocate any appropriations authorized by the Legislative  
27 Assembly to carry out the purposes of this section.  
28 “(e) Collect all revenues other than those appropriated by the Legislative  
29 Assembly and use them for the purposes of this section.  
30 “(10) The Oregon Historical Society may employ personnel, contract for

1 services and receive, expend and allocate the proceeds of gifts, grants and  
2 donations on behalf of the commission for the purposes of this section.

3 “(11) Voting members of the commission are entitled to compensation and  
4 expenses as provided in ORS 292.495.

5 “(12) All agencies of state government, as defined in ORS 174.111, are di-  
6 rected to assist the commission in the performance of the duties of the  
7 commission and, to the extent permitted by laws relating to confidentiality,  
8 to furnish information and advice that the members of the commission con-  
9 sider necessary to perform their duties.

10 “(13) No later than September 15 of each year, the commission shall sub-  
11 mit a report in the manner provided by ORS 192.245 to the interim commit-  
12 tees of the Legislative Assembly related to historical commemorations. The  
13 report may include recommendations for legislation.

14 “**NOTE:** Section 413 was deleted by amendment. Subsequent sections were  
15 not renumbered.

16 “**SECTION 414.** Section 2, chapter 81, Oregon Laws 2024, is amended to  
17 read:

18 “**Sec. 2.** (1) The [*Oregon Business Development Department*] **Oregon De-**  
19 **partment of Commerce and Trade** shall enter into an interagency agree-  
20 ment with the Bureau of Labor and Industries to develop and administer a  
21 program to provide financial support and child care subsidies to:

22 “(a) Apprentices who are participating in a course of study in con-  
23 struction under ORS 660.002 to 660.210.

24 “(b) Journeyworkers who have completed an apprenticeship in con-  
25 struction under ORS 660.002 to 660.210 within the last five years.

26 “(2) Financial support under subsection (1) of this section may be pro-  
27 vided to the apprentice or journeyworker or to the child care provider that  
28 is providing child care services for the apprentice or journeyworker.

29 “(3)(a) The department shall adopt rules necessary to administer this  
30 section.

1 “(b) The bureau may adopt rules to carry out this section.

2 “(4) The bureau shall evaluate the impact of this section on increasing  
3 diversity in the construction workforce.

4 “**SECTION 415.** Section 3, chapter 81, Oregon Laws 2024, is amended to  
5 read:

6 “**Sec. 3.** (1) The CHIPS Child Care Fund is established in the State  
7 Treasury, separate and distinct from the General Fund. Interest earned by  
8 the CHIPS Child Care Fund shall be credited to the fund.

9 “(2) Moneys in the fund are continuously appropriated to the [*Oregon*  
10 *Business Development Department*] **Oregon Department of Commerce and**  
11 **Trade** for the following purposes:

12 “(a) Paying the actual costs incurred by the department to develop and  
13 administer this section and sections 1, 2 and 4, **chapter 81, Oregon Laws**  
14 **2024** [*of this 2024 Act*]; and

15 “(b) Carrying out this section and sections 1, 2 and 4, **chapter 81,**  
16 **Oregon Laws 2024** [*of this 2024 Act*], including transferring moneys to the  
17 Bureau of Labor and Industries to develop and administer the program de-  
18 scribed in section 2, **chapter 81, Oregon Laws 2024** [*of this 2024 Act*].

19 “(3) The [*Oregon Business Development Department*] **Oregon Department**  
20 **of Commerce and Trade** may transfer moneys deposited in the fund to the  
21 Child Care Infrastructure Fund established under ORS 329A.725. Moneys  
22 transferred under this subsection shall be used by the department to provide  
23 financial assistance under ORS 329A.727 for the purposes of increasing child  
24 care infrastructure in geographic areas in this state where semiconductor  
25 or other advanced manufacturing facilities are presently located or scheduled  
26 to be constructed under sections 1 to 6, chapter 25, Oregon Laws 2023.

27 “(4) The [*Oregon Business Development Department*] **Oregon Department**  
28 **of Commerce and Trade** shall administer the CHIPS Child Care Fund in  
29 consultation with the Bureau of Labor and Industries.

30 “(5) The fund shall consist of moneys credited to the fund, including:

- 1 “(a) Moneys appropriated to the fund by the Legislative Assembly;
- 2 “(b) Moneys transferred to the fund by the [*Oregon Business Development*
- 3 *Department*] **Oregon Department of Commerce and Trade**;
- 4 “(c) Moneys transferred from the Oregon CHIPS Fund established in
- 5 section 6, chapter 25, Oregon Laws 2023;
- 6 “(d) Moneys contributed to the CHIPS Child Care Fund by businesses
- 7 that receive a program grant or loan under section 3, chapter 25, Oregon
- 8 Laws 2023, and federal semiconductor financial assistance, as defined in
- 9 section 1, chapter 25, Oregon Laws 2023;
- 10 “(e) Earnings on moneys in the fund;
- 11 “(f) Moneys received from the federal or state government; and
- 12 “(g) Moneys from any other public or private source.

13 **“SECTION 416.** Section 3, chapter 81, Oregon Laws 2024, as amended by

14 section 3a, chapter 81, Oregon Laws 2024, is amended to read:

15 **“Sec. 3.** (1) The CHIPS Child Care Fund is established in the State

16 Treasury, separate and distinct from the General Fund. Interest earned by

17 the CHIPS Child Care Fund shall be credited to the fund.

18 “(2) Moneys in the fund are continuously appropriated to the [*Oregon*

19 *Business Development Department*] **Oregon Department of Commerce and**

20 **Trade** for the following purposes:

21 “(a) Paying the actual costs incurred by the department to develop and

22 administer this section and section 2, **chapter 81, Oregon Laws 2024** [*of this*

23 *2024 Act*]; and

24 “(b) Carrying out this section and section 2, **chapter 81, Oregon Laws**

25 **2024** [*of this 2024 Act*], including transferring moneys to the Bureau of Labor

26 and Industries to develop and administer the program described in section

27 **2, chapter 81, Oregon Laws 2024** [*of this 2024 Act*].

28 “(3) The [*Oregon Business Development Department*] **Oregon Department**

29 **of Commerce and Trade** may transfer moneys deposited in the fund to the

30 Child Care Infrastructure Fund established under ORS 329A.725. Moneys



1 transferred under this subsection shall be used by the department to provide  
2 financial assistance under ORS 329A.727.

3 “(4) The [*Oregon Business Development Department*] **Oregon Department**  
4 **of Commerce and Trade** shall administer the CHIPS Child Care Fund in  
5 consultation with the Bureau of Labor and Industries.

6 “(5) The fund shall consist of moneys credited to the fund, including:

7 “(a) Moneys appropriated to the fund by the Legislative Assembly;

8 “(b) Moneys transferred to the fund by the [*Oregon Business Development*  
9 *Department*] **Oregon Department of Commerce and Trade**;

10 “(c) Moneys contributed to the fund by businesses that receive a program  
11 grant or loan under section 3, chapter 25, Oregon Laws 2023, and federal  
12 semiconductor financial assistance, as defined in section 1, chapter 25,  
13 Oregon Laws 2023;

14 “(d) Earnings on moneys in the fund;

15 “(e) Moneys received from the federal or state government; and

16 “(f) Moneys from any other public or private source.

17 **“SECTION 417.** Section 1, chapter 103, Oregon Laws 2024, is amended to  
18 read:

19 **“Sec. 1.** (1) As used in this section:

20 “(a) ‘Housing development’ means multifamily housing or a mix of multi-  
21 family, middle housing and single-family housing units planned, owned or  
22 constructed together through one or more applications or development  
23 projects under ORS 227.175 or a development agreement under ORS 94.504  
24 to 94.528.

25 “(b) ‘Infrastructure project’ means a specific project for which funds are  
26 appropriated under section 5, **chapter 103, Oregon Laws 2024** [*of this 2024*  
27 *Act*].

28 “(c) ‘Workforce income household’ means a household with income less  
29 than or equal to 130 percent of the county median income based on infor-  
30 mation or estimates available from the United States Census Bureau.

1       “(2) The [*Oregon Business Development Department*] **Oregon Department**  
2 **of Commerce and Trade** shall provide grants to cities for the purpose of  
3 developing infrastructure projects.

4       “(3) To receive a grant under this section, a city must agree that:

5       “(a) The infrastructure project will be within the city’s urban growth  
6 boundary and will contribute to the development of housing within the urban  
7 growth boundary;

8       “(b) The infrastructure project will be completed within 24 months of the  
9 disbursement of the funds;

10       “(c) The city has identified a specific, planned housing development that  
11 will be primarily benefited by the infrastructure project;

12       “(d) The city has or will enter into an agreement with the property owner  
13 of the housing development as provided in subsection (4) of this section;

14       “(e) The city will assign to the state any moneys or claims based on  
15 subsection (4)(c) of this section; and

16       “(f) The city will provide reports as required under section 2, **chapter**  
17 **103, Oregon Laws 2024** [*of this 2024 Act*].

18       “(4) A city may not receive a disbursement of the grant until the city and  
19 the property owner of the identified housing development have entered into  
20 one or more agreements to provide that:

21       “(a) The owner will construct a minimum specified number of housing  
22 units before the latter of 36 months after the completion of the infrastructure  
23 project or 60 months after the disbursement of the infrastructure grant.

24       “(b) No less than 30 percent of the dwelling units within the housing de-  
25 velopment will be subject to an affordable housing covenant, as defined in  
26 ORS 456.270, under which:

27       “(A) The city shall serve as or designate the covenant holder; and

28       “(B) The housing will be made affordable to workforce income households  
29 for a period of no less than 10 years.

30       “(c) In addition to any other remedies, the owner is liable to repay to the

1 city the amount of the infrastructure grant under this section if the units  
2 are not developed or the affordability is not maintained as required in this  
3 subsection, except for delays outside of the owner’s control.

4 “(d) The owner will assist the city in its reporting requirements under  
5 section 2, **chapter 103, Oregon Laws 2024** [*of this 2024 Act*].

6 “**SECTION 418.** Section 2, chapter 103, Oregon Laws 2024, is amended to  
7 read:

8 “**Sec. 2.** (1) Cities receiving grants under section 1, **chapter 103, Oregon**  
9 **Laws 2024**, [*of this 2024 Act*] are required to provide two reports to the  
10 [*Oregon Business Development Department*] **Oregon Department of Com-**  
11 **merce and Trade**, one within 24 months and one within 60 months after  
12 moneys are distributed, on:

13 “(a) The progress of the infrastructure project for which moneys were  
14 received;

15 “(b) An estimated timeline of completion, or a report of the completed  
16 results;

17 “(c) An accounting of the moneys spent and remaining for the project; and

18 “(d) The number of housing units and affordable housing constructed  
19 within the housing development as described in section 1 (4), **chapter 103,**  
20 **Oregon Laws 2024** [*of this 2024 Act*].

21 “(2) On or before September 15 of each year, the [*Oregon Business Devel-*  
22 *opment Department*] **Oregon Department of Commerce and Trade** shall  
23 provide a report to interim committees of the Legislative Assembly on  
24 housing in the manner provided in ORS 192.245 summarizing the reports re-  
25 ceived under subsection (1) of this section.

26 “**SECTION 419.** Section 1, chapter 110, Oregon Laws 2024, is amended to  
27 read:

28 “**Sec. 1.** (1) The Department of Land Conservation and Development and  
29 the Department of Consumer and Business Services shall enter into an  
30 interagency agreement to establish and administer the Housing Account-

1 ability and Production Office.

2 “(2) The Housing Accountability and Production Office shall:

3 “(a) Provide technical assistance, including assistance through grants, to  
4 local governments to:

5 “(A) Comply with housing laws;

6 “(B) Reduce permitting and land use barriers to housing production; and

7 “(C) Support reliable and effective implementation of local procedures and  
8 standards relating to the approval of residential development projects.

9 “(b) Serve as a resource, which includes providing responses to requests  
10 for technical assistance with complying with housing laws, to:

11 “(A) Local governments, as defined in ORS 174.116; and

12 “(B) Applicants for land use and building permits for residential devel-  
13 opment who are experiencing permitting and land use barriers related to  
14 housing production.

15 “(c) Investigate and respond to complaints of violations of housing laws  
16 under section 2, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*].

17 “(d) Establish best practices related to model codes, typical drawings and  
18 specifications as described in ORS 455.062, procedures and practices by which  
19 local governments may comply with housing laws.

20 “(e) Provide optional mediation of active disputes relating to housing  
21 laws between a local government and applicants for land use and building  
22 permits for residential development, including mediation under ORS 197.860.

23 “(f) Coordinate agencies that are involved in the housing development  
24 process, including, but not limited to, the Department of Land Conservation  
25 and Development, Department of Consumer and Business Services, Housing  
26 and Community Services Department and [*Oregon Business Development De-*  
27 *partment*] **Oregon Department of Commerce and Trade**, to enable the  
28 agencies to support local governments and applicants for land use and  
29 building permits for residential development by identifying state agency  
30 technical and financial resources that can address identified housing devel-

1 opment and feasibility barriers.

2 “(g) Establish policy and funding priorities for state agency resources and  
3 programs for the purpose of addressing barriers to housing production, in-  
4 cluding, but not limited to, making recommendations for moneys needed for  
5 the purposes of section 35, **chapter 110, Oregon Laws 2024** [*of this 2024*  
6 *Act*].

7 “(3) The Land Conservation and Development Commission and the De-  
8 partment of Consumer and Business Services shall coordinate in adopting,  
9 amending or repealing rules for:

10 “(a) Carrying out the respective responsibilities of the departments and  
11 the office under sections 1 to 5, **chapter 110, Oregon Laws 2024** [*of this 2024*  
12 *Act*].

13 “(b) Model codes, development plans, procedures and practices by which  
14 local governments may comply with housing laws.

15 “(c) Establishing standards by which complaints are investigated and  
16 pursued.

17 “(4) The office shall prioritize assisting local governments in voluntarily  
18 undertaking changes to come into compliance with housing laws.

19 “(5) As used in sections 1 to 5, **chapter 110, Oregon Laws 2024** [*of this*  
20 *2024 Act*]:

21 “(a) ‘Housing law’ means ORS chapter 197A and ORS 92.010 to 92.192,  
22 92.830 to 92.845, 197.360 to 197.380, 197.475 to 197.493, 197.505 to 197.540,  
23 197.660 to 197.670, 197.748, 215.402 to 215.438, 227.160 to 227.186, 455.148,  
24 455.150, 455.152, 455.153, 455.156, 455.157, 455.165, 455.170, 455.175, 455.180,  
25 455.185 to 455.198, 455.200, 455.202 to 455.208, 455.210, 455.220, 455.465 and  
26 455.467 and administrative rules implementing those laws, to the extent that  
27 the law or rule imposes a mandatory duty on a local government or its offi-  
28 cers, employees or agents and the application of the law or rule applies to  
29 residential development or pertains to a permit for a residential use or a  
30 division of land for residential purposes.

1 “(b) ‘Residential’ includes mixed-use residential development.

2 “**SECTION 420.** Section 13, chapter 110, Oregon Laws 2024, is amended  
3 to read:

4 “**Sec. 13.** The [*Oregon Business Development Department*] **Oregon De-**  
5 **partment of Commerce and Trade** shall provide capacity and support for  
6 infrastructure planning to municipalities to enable them to plan and finance  
7 infrastructure for water, sewers and sanitation, stormwater and transporta-  
8 tion consistent with opportunities to produce housing units at densities de-  
9 fined in section 55 (3)(a)(C), **chapter 110, Oregon Laws 2024** [*of this 2024*  
10 *Act*]. ‘Capacity and support’ includes assistance with local financing oppor-  
11 tunities, state and federal grant navigation, writing, review and adminis-  
12 tration, resource sharing, regional collaboration support and technical  
13 support, including engineering and design assistance and other capacity or  
14 support as the department may designate by rule.

15 “**SECTION 421.** Section 14, chapter 110, Oregon Laws 2024, is amended  
16 to read:

17 “**Sec. 14.** (1) The Housing Infrastructure Support Fund is established in  
18 the State Treasury, separate and distinct from the General Fund.

19 “(2) The Housing Infrastructure Support Fund consists of moneys appro-  
20 priated, allocated, deposited or transferred to the fund by the Legislative  
21 Assembly or otherwise.

22 “(3) Interest earned by the fund shall be credited to the fund.

23 “(4) Moneys in the fund are continuously appropriated to the [*Oregon*  
24 *Business Development Department*] **Oregon Department of Commerce and**  
25 **Trade** to administer the fund and to implement section 13, **chapter 110,**  
26 **Oregon Laws 2024** [*of this 2024 Act*].

27 “**SECTION 422.** Section 28, chapter 110, Oregon Laws 2024, is amended  
28 to read:

29 “**Sec. 28.** (1)(a) The Housing and Community Services Department shall  
30 develop a program to make loans to sponsoring jurisdictions to fund grants

1 awarded under the sponsoring jurisdiction’s grant program adopted pursuant  
2 to section 25, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*].

3 “(b) The loans shall be interest free for the term set by the sponsoring  
4 jurisdiction under section 26 (3)(c), **chapter 110, Oregon Laws 2024** [*of this*  
5 *2024 Act*].

6 “(2) For each application approved under section 26 (5)(b), **chapter 110,**  
7 **Oregon Laws 2024** [*of this 2024 Act*], the Housing and Community Services  
8 Department shall:

9 “(a) Enter into a loan agreement with the sponsoring jurisdiction for a  
10 payment in an amount equal to the total of:

11 “(A) Loan proceeds in an amount equal to the grant award for the appli-  
12 cation set under section 26 (3)(d), **chapter 110, Oregon Laws 2024** [*of this*  
13 *2024 Act*]; and

14 “(B) The administrative costs set forth in subsection (3) of this section;  
15 and

16 “(b) Pay to the sponsoring jurisdiction the total amount set forth in par-  
17 agraph (a) of this subsection out of the Housing Project Revolving Loan  
18 Fund established under section 35, **chapter 110, Oregon Laws 2024** [*of this*  
19 *2024 Act*].

20 “(3) The administrative costs referred to in subsection (2)(a)(B) of this  
21 section are:

22 “(a) An amount not greater than five percent of the loan proceeds to re-  
23 imburse the sponsoring jurisdiction for the costs of administering the grant  
24 program, other than the costs of tax administration; and

25 “(b) An amount equal to one percent of the loan proceeds to be trans-  
26 ferred to the county in which the sponsoring jurisdiction is situated to re-  
27 imburse the county for the costs of the tax administration of the grant  
28 program by the county tax officers.

29 “(4) The Housing and Community Services Department may assign any  
30 and all loan amounts made under this section to the Department of Revenue

1 for collection as provided in ORS 293.250.

2 “(5) The Housing and Community Services Department may:

3 “(a) Consult with the [*Oregon Business Development Department*] **Oregon**  
4 **Department of Commerce and Trade** about any of the powers and duties  
5 conferred on the Housing and Community Services Department by sections  
6 24 to 35, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*]; and

7 “(b) Adopt any rule it considers necessary or convenient for the adminis-  
8 tration of sections 24 to 35, **chapter 110, Oregon Laws 2024**, [*of this 2024*  
9 *Act*] by the Housing and Community Services Department.

10 **“SECTION 423. (1) The amendments to statutes and session law by**  
11 **sections 1 to 41, 43 to 352, 354 to 370, 372 and 375 to 422 of this 2025 Act**  
12 **and the repeal of section 10, chapter 17, Oregon Laws 2020 (first special**  
13 **session), by section 371 of this 2025 Act become operative on January**  
14 **1, 2026.**

15 **“(2) The Director of the Oregon Business Development Department**  
16 **may take any action before the operative date set forth in subsection**  
17 **(1) of this section that the director deems necessary or convenient to**  
18 **ensure compliance with the amendments to statutes and session law**  
19 **by sections 1 to 41, 43 to 352, 354 to 370, 372 and 375 to 422 of this 2025**  
20 **Act and the repeal of section 10, chapter 17, Oregon Laws 2020 (first**  
21 **special session), by section 371 of this 2025 Act on or before the oper-**  
22 **ative date set forth in subsection (1) of this section.**

23 **“SECTION 424. (1) The amendments to statutes and session law by**  
24 **sections 1 to 41, 43 to 352, 354 to 370, 372 and 375 to 422 of this 2025 Act**  
25 **are intended to change the name of:**

26 **“(a) The ‘Oregon Business Development Department’ to the ‘Oregon**  
27 **Department of Commerce and Trade’;**

28 **“(b) The ‘Oregon Business Development Commission’ to the**  
29 **‘Oregon Commerce and Trade Commission’;**

30 **“(c) The ‘Oregon Business Development Fund’ to the ‘Oregon**



1 Commerce and Trade Fund'; and

2 “(d) The ‘OBDD Economic Development Distributions Fund’ to the  
3 ‘ODCT Economic Development Distributions Fund.’

4 “(2) For the purpose of harmonizing and clarifying statutory law,  
5 the Legislative Counsel may substitute for words designating the  
6 ‘Oregon Business Development Department,’ the ‘Oregon Business  
7 Development Commission,’ the ‘Oregon Business Development Fund’  
8 and the ‘OBDD Economic Development Distributions Fund,’ wherever  
9 they occur in statutory law, other words designating the ‘Oregon De-  
10 partment of Commerce and Trade,’ the ‘Oregon Commerce and Trade  
11 Commission,’ the ‘Oregon Commerce and Trade Fund’ and the ‘ODCT  
12 Economic Development Distributions Fund,’ respectively.

13 “SECTION 425. This 2025 Act being necessary for the immediate  
14 preservation of the public peace, health and safety, an emergency is  
15 declared to exist, and this 2025 Act takes effect on its passage.”.

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