

HB 2322-1
(LC 3376)
4/2/25 (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 2322**

1 In line 2 of the printed bill, after “development” insert “; creating new
2 provisions; amending sections 1, 2, 3, 5 and 6, chapter 25, Oregon Laws 2023;
3 and declaring an emergency”.

4 Delete lines 4 through 8 and insert:

5 **“SECTION 1. Section 2 of this 2025 Act is added to and made a part
6 of sections 1 to 6, chapter 25, Oregon Laws 2023.**

7 **“SECTION 2. Notwithstanding section 1 (2)(a) and (c) and (4)(a) and
8 section 2 (1)(b)(A) and (B), chapter 25, Oregon Laws 2023, but otherwise
9 subject to sections 1 to 6, chapter 25, Oregon Laws 2023, the Oregon
10 Business Development Department and the Governor may award
11 grants and make loans from moneys in the Oregon Fostering Inno-
12 vation Strength at Home and CHIPS Fund established under section
13 6, chapter 25, Oregon Laws 2023, to businesses that have not applied
14 for federal semiconductor financial assistance but that meet the defi-
15 nition of a covered entity.**

16 **“SECTION 3. Section 1, chapter 25, Oregon Laws 2023, as amended by
17 section 6, chapter 89, Oregon Laws 2024, is amended to read:**

18 **“Sec. 1. (1) As used in sections 1 to 6, chapter 25, Oregon Laws 2023:**

19 **“(a) ‘Covered entity’ [*has the meaning given that term by 15 U.S.C.*
20 *4651(2)*] means a private entity, a consortium of private entities or a
21 consortium of nonprofit, public and private entities with a demon-**

1 **strated ability to substantially finance, construct, expand or modernize**
2 **a facility relating to fabrication, assembly, testing, advanced packag-**
3 **ing, production or research and development for targeted industries,**
4 **materials used for manufacturing in targeted industries or manufac-**
5 **turing equipment for targeted industries.**

6 “(b) ‘Covered incentive’ has the meaning given that term by 15 U.S.C.
7 4651(3).

8 “(c) ‘Federal semiconductor financial assistance’ means assistance avail-
9 able under the program established pursuant to 15 U.S.C. 4652(a)(1) or 15
10 U.S.C. 4656(c) for financial assistance to the semiconductor industry.

11 “(d) ‘Program grants and loans’ means grants awarded and loans made
12 under the program developed by the Oregon Business Development Depart-
13 ment pursuant to this section.

14 “(e)(A) ‘Targeted industry’ means industries identified by the
15 **Oregon Business Development Department as providing the State of**
16 **Oregon with the best opportunities for growth, innovation, high**
17 **wages, competitiveness and statewide prosperity.**

18 “(B) ‘Targeted industry’ includes but is not limited to metals and
19 **machinery, business services, food and beverages, forestry and wood**
20 **products, high technology, outdoor gear and apparel and bioscience.**

21 “(2)(a) The Oregon Business Development Department shall develop a
22 program to award grants and make loans from moneys in the Oregon **Fos-**
23 **tering Innovation Strength at Home and** CHIPS Fund established under
24 section 6, chapter 25, Oregon Laws 2023, to businesses applying for federal
25 semiconductor financial assistance.

26 “(b)(A) The program shall be administered by the department and the
27 Governor as set forth in this section.

28 “(B) Notwithstanding the duties and powers conferred respectively on the
29 department and the Governor under sections 1 to 6, chapter 25, Oregon Laws
30 2023, the department and the Governor may consult each other with respect

1 to any duty or power so conferred.

2 “(c) It is the intent of the Legislative Assembly that program grants and
3 loans be treated by the United States Secretary of Commerce as covered in-
4 centives for purposes of the federal semiconductor financial assistance pro-
5 gram.

6 “(3)(a) Program grant and loan proceeds may be used solely for:

7 “(A) If a business’s application for federal semiconductor financial as-
8 sistance is approved, activities undertaken in connection with the federal
9 semiconductor financial assistance program; and

10 “(B) Regardless of whether a business’s application for federal semicon-
11 ductor financial assistance is approved:

12 “(i) The development of a site for a semiconductor or other advanced
13 manufacturing facility, including, but not limited to, the acquisition and
14 aggregation of land;

15 “(ii) Research and development with respect to semiconductors or ad-
16 vanced manufacturing; or

17 “(iii) Partnering with institutions of higher education, including, but not
18 limited to, historically Black colleges and universities, career technical
19 training institutions, regional collaborative groups, local workforce develop-
20 ment boards as defined in ORS 660.300, programs funded through the federal
21 Workforce Innovation and Opportunity Act (P.L. 113-128) and apprenticeship
22 programs registered with the State Apprenticeship and Training Council for
23 the purpose of workforce development and the creation of training, registered
24 apprenticeship and internship opportunities, with respect to semiconductors
25 or advanced manufacturing.

26 “(b) Contractors and subcontractors on construction projects funded by
27 program grant or loan proceeds must pay for such projects a rate of wage
28 that meets or exceeds the greater of:

29 “(A) The prevailing rate of wage for workers in each trade or occupation
30 in each locality as determined by the Commissioner of the Bureau of Labor

1 and Industries under ORS 279C.815; or

2 “(B) The prevailing rate of wage as determined by the United States
3 Secretary of Labor under the Davis-Bacon Act (40 U.S.C. 3141 et seq.).

4 “(4)(a) A business that is a covered entity may apply to the department
5 under section 2, chapter 25, Oregon Laws 2023, for a program grant or loan.

6 “(b)(A) Except as provided in subparagraph (B) of this paragraph, program
7 grants and loans may not be awarded or made to any applicant in an amount
8 greater than \$50 million.

9 “(B) The Governor may approve a program grant or loan under section
10 3, chapter 25, Oregon Laws 2023, in an amount greater than \$50 million only
11 after having given the Legislative Assembly at least 30 calendar days’ notice
12 of the amount of the program grant or loan the Governor intends to approve.

13 “(c)(A) Program loans:

14 “(i) May be made for a term not to exceed 10 years, as negotiated by the
15 business and, in consultation with the Governor, the department; and

16 “(ii) Except as provided in section 5 (3), chapter 25, Oregon Laws 2023,
17 shall be made at a zero rate of interest.

18 “(B) All amounts received by the department in repayment of a program
19 loan shall be transferred to the Oregon **Fostering Innovation Strength at**
20 **Home and** CHIPS Fund established under section 6, chapter 25, Oregon
21 Laws 2023.

22 “(d) Proceeds from a program grant or loan may be distributed in a single
23 payment or in multiple, conditional payments, as specified in the program
24 grant or loan agreement.

25 “(e)(A) Except as provided in paragraph (f) of this subsection, for every
26 \$1 million in program grant or loan proceeds received, the recipient business
27 must, over the period of the grant or loan agreement, generate at least:

28 “(i) If the term of the agreement is not more than five years, \$1.25 million
29 in state and local revenue; or

30 “(ii) If the term of the agreement is more than five years, \$1.5 million in

1 state and local revenue.

2 “(B) The department and the recipient business may specify in the pro-
3 gram grant or loan agreement what the term ‘revenue’ includes.

4 “(f) In lieu of the requirement under paragraph (e) of this subsection, a
5 recipient business may instead commit to the creation of new jobs in Oregon:

6 “(A) At least 65 percent of which are permanent, full-time positions; and

7 “(B) That pay on average at least the average median income for the re-
8 gion of this state in which the services will be performed.

9 “(g)(A) In addition to program grants and loans, an application assistance
10 grant, in an amount not to exceed \$50,000, may be awarded to a business
11 whose application is approved under section 3, chapter 25, Oregon Laws 2023,
12 for the costs of preparing and submitting the business’s application for fed-
13 eral semiconductor financial assistance.

14 “(B) Application assistance grants may be made from moneys in the fund
15 or from any other source of funding available for such purpose to the de-
16 partment or the Governor.

17 “(5) Program grants receiving federal semiconductor financial assistance
18 under 15 U.S.C. 4656(c) are exempt from:

19 “(a) Subsection (4)(e) and (f) of this section; **and**

20 “[*(b) Section 2 (1)(b)(G), chapter 25, Oregon Laws 2023; and*]

21 “[*(c)*] **(b)** Section 5 (1)(a)(C), chapter 25, Oregon Laws 2023.

22 “**SECTION 4.** Section 2, chapter 25, Oregon Laws 2023, is amended to
23 read:

24 “**Sec. 2.** (1)(a) The Oregon Business Development Department shall pre-
25 scribe an application process, including forms and deadlines, by which busi-
26 nesses may apply under this section for program grants and loans.

27 “(b) At a minimum, the application form must require the applicant
28 business to:

29 “[*(A) Establish its eligibility to be treated by the United States Secretary*
30 *of Commerce as a covered entity;*]

1 “[*(B)*] *Include its statement of interest or draft application for federal*
2 *semiconductor financial assistance;*]

3 “[*(C)*] **(A)** [*Explain*] **Execute an affidavit attesting to** how the applicant
4 business plans to comply with all applicable federal **and state** employment,
5 labor and environmental standards;

6 “[*(D)*] **(B)** Explain how the proposed activities of the applicant business
7 will promote the expansion and long-term economic viability of the [*semi-*
8 *conductor*] **applicable targeted** industry in Oregon, including research and
9 development, manufacturing and other critical links in the [*semiconductor*]
10 supply chain;

11 “[*(E)*] **(C)** State the amount of program grant or loan proceeds sought
12 under this section along with a detailed description of the proposed expend-
13 iture of the proceeds;

14 “[*(F)*] *If the application includes a request for an application assistance*
15 *grant, state the amount of the application assistance grant sought and dem-*
16 *onstrate the applicant business’s need for the application assistance grant;*]

17 “[*(G)*] *Explain how the applicant business will meet the requirements under*
18 *section 1 (4)(e) or (f) of this 2023 Act, setting forth at a minimum such infor-*
19 *mation as:*]

20 “[*(i)*] *For state and local revenue, the kinds, amounts and timing of the*
21 *revenue to be generated; or]*

22 “[*(ii)*] *For job creation, such information as the number, job descriptions,*
23 *weekly hours, pay scale and locations of the proposed jobs;]*

24 “[*(H)*] **(D)** Include any other information that the department or the
25 Governor considers necessary or important for review of the application; and

26 “[*(I)*] **(E)** Sign the application through an authorized director, officer,
27 employee or agent under penalties for false swearing.

28 “(2)(a) Upon request, the department may consult with an applicant
29 business about the business’s application, before or after submission.

30 “(b) An applicant business may amend and resubmit its application at any

1 time within the application period.

2 “(3) Trade secrets, as defined in ORS 646.461, that are submitted to the
3 department as part of an application under this section shall be exempt from
4 disclosure under ORS 192.311 to 192.478 until January 1, [2027] **2029**.

5 **“SECTION 5.** Section 3, chapter 25, Oregon Laws 2023, is amended to
6 read:

7 **“Sec. 3.** (1)(a) The Oregon Business Development Department and the
8 Governor shall review all timely and complete applications for program
9 grants and loans, with such distribution of duties and powers as the depart-
10 ment and the Governor may arrange.

11 “(b) Within 90 days following receipt of an application, the department
12 and the Governor shall:

13 “(A) Approve the application;

14 “(B) Approve the application for a program grant or loan, or application
15 assistance grant, in an amount other than the amount requested; or

16 “(C) Reject the entire application [*or only the request for an application*
17 *assistance grant*].

18 “[*(c) For a program grant or loan in an amount greater than \$50 million,*
19 *the Governor shall provide notice to the Legislative Assembly in accordance*
20 *with section 1 (4)(b)(B) of this 2023 Act.*]

21 “[*(d)*] **(c)** The decisions made with respect to an application are not sub-
22 ject to appeal.

23 “(2) In approving applications and setting program grant and loan
24 amounts, the department and the Governor shall give preference to:

25 “(a) Projects that will promote the expansion and long-term economic vi-
26 ability of [*the semiconductor industry*] **targeted industries** in Oregon, in-
27 cluding research and development, manufacturing and other critical links in
28 the [*semiconductor*] supply chain;

29 “(b) Projects that will promote and extend Oregon’s leadership in the field
30 of technology **and manufacturing**;

1 “(c) Projects that will attract manufacturing jobs to Oregon;

2 “(d) Projects that will secure supply in Oregon for critical sectors of the
3 state economy;

4 “(e) Projects that reflect an applicant business’s established relationship,
5 or commitment to build a relationship, with organizations focused on devel-
6 oping a diverse workforce pipeline;

7 “(f) Applicant businesses that have at least [10] **five** full-time employees
8 in Oregon;

9 “(g) Applicant businesses that have formed partnerships for the purpose
10 of workforce development or the creation of training, registered apprentice-
11 ship or internship opportunities; **and**

12 “[*(h)(A) Applicant businesses that commit to generating a greater amount*
13 *of state and local revenue in accordance with section 1 (4)(e) of this 2023 Act;*
14 *or]*

15 “[*(B) Applicant businesses that commit to creating a higher percentage of*
16 *new permanent full-time jobs in accordance with section 1 (4)(f) of this 2023*
17 *Act;*]

18 “[*(i) Applications that propose projects described in 15 U.S.C.*
19 *4652(a)(2)(B)(i) that will incorporate significant participation by businesses*
20 *owned by members of underrepresented communities and economically disad-*
21 *vantaged individuals; and]*

22 “[*(j)*] **(h)** Applications that, taken together, represent regional diversity
23 in Oregon.

24 “(3)(a) As soon as practicable after making decisions under subsection (1)
25 of this section, the department shall:

26 “(A) Notify the applicant business of the decision and the reasons for the
27 decision; and

28 “(B) For an approved application, offer to the applicant business a pro-
29 gram grant or loan agreement and, if applicable, an application assistance
30 grant.

1 “(b) Upon entering into a program grant or loan agreement with the ap-
2 plicant business, the department shall distribute to the business from the
3 Oregon **Fostering Innovation Strength at Home and CHIPS** Fund estab-
4 lished under section 6, **chapter 25, Oregon Laws 2023**, [*of this 2023 Act*] the
5 amount set forth in the agreement.

6 “(4)(a) If a business that has entered into an agreement pursuant to this
7 section changes ownership during the term of the agreement, the department
8 and the Governor may allow the continued use of the program grant or loan
9 proceeds provided the business enters into a new agreement with the de-
10 partment that commits the business to continuing the project as proposed in
11 the application approved under this section.

12 “(b) In the new agreement, the department may agree to minor changes
13 in the terms of the original agreement that the department and the Governor
14 considers reasonable in the circumstances and faithful to the purpose for
15 which the business’s application was approved.

16 “**SECTION 6.** Section 5, chapter 25, Oregon Laws 2023, is amended to
17 read:

18 “**Sec. 5.** (1)(a) A business that received a program grant or loan, including
19 an application assistance grant, shall become liable for immediate repayment
20 of the full amount of the grant or the outstanding principal amount of the
21 loan, if:

22 “(A) The business has not begun, on or before January 1, 2027, the process
23 of applying for permits required for the project for which the grant was
24 awarded or the loan made;

25 “(B) The project changes substantially from the project for which the
26 business’s application was approved such that the project would not have
27 been eligible for the program grant or loan;

28 “(C) On or before the earlier of a date, if any, specified in the program
29 grant or loan agreement or January 1, 2033:

30 “(i) The business has not generated state and local revenue in accordance

1 with section 1 (4)(e), **chapter 25, Oregon Laws 2023** [*of this 2023 Act*]; or

2 “(ii) The business has not created new permanent full-time jobs in ac-
3 cordance with section 1 (4)(f), **chapter 25, Oregon Laws 2023** [*of this 2023*
4 *Act*];

5 “(D) The business has not complied with all environmental standards ap-
6 plicable to the project under law or has not cured its noncompliance within
7 a reasonable time, as determined by the Oregon Business Development De-
8 partment or the Governor; or

9 “(E) The business has not complied with all labor standards applicable to
10 the project under law or the program grant or loan agreement or has not
11 cured its noncompliance within a reasonable time, as determined by the de-
12 partment or the Governor.

13 “(b) If a project is suspended for a reason beyond the control of the
14 business, as determined by the department or the Governor, the amount to
15 be repaid shall be in proportion to the percentage of the project that has not
16 been completed at the time of suspension.

17 “(2) Any and all amounts required to be repaid under this section shall
18 be considered to be liquidated and delinquent, and the Oregon Business De-
19 velopment Department shall assign such amounts to the Department of Rev-
20 enue for collection as provided in ORS 293.250.

21 “(3) If the Oregon Business Development Department or the Governor
22 discovers that a business willfully made a false statement or misrepresen-
23 tation, or willfully failed to report a material fact, to obtain a program grant
24 or loan, or an application assistance grant, under sections 1 to 6, **chapter**
25 **25, Oregon Laws 2023** [*of this 2023 Act*], the Oregon Business Development
26 Department may add to the amount the business is obligated to repay a
27 penalty not to exceed 20 percent of the principal amount of the program
28 grant or loan so obtained, plus any applicable interest and fees associated
29 with the Department of Revenue’s costs of collection.

30 “(4) Subject to ORS 293.250, all amounts repaid to the Oregon Business

1 Development Department or the Department of Revenue under this section,
2 including award amounts, penalties, interest, fees and any other charges,
3 shall be transferred to the Oregon **Fostering Innovation Strength at**
4 **Home and CHIPS** Fund established under section 6, **chapter 25, Oregon**
5 **Laws 2023** [*of this 2023 Act*].

6 “**SECTION 7.** Section 6, chapter 25, Oregon Laws 2023, as amended by
7 section 5, chapter 81, Oregon Laws 2024, and section 7, chapter 89, Oregon
8 Laws 2024, is amended to read:

9 “**Sec. 6.** (1) The Oregon **Fostering Innovation Strength at Home and**
10 **CHIPS** Fund is established in the State Treasury, separate and distinct from
11 the General Fund. Interest earned by the Oregon **Fostering Innovation**
12 **Strength at Home and 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 **Fostering Innovation Strength at Home**
20 **and CHIPS** Fund are continuously appropriated to the Oregon Business De-
21 velopment Department 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 this*
5 *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 8. Notwithstanding any other law limiting expenditures,**
9 **the amount of \$25,000,000 is established for the biennium beginning**
10 **July 1, 2025, as the maximum limit for payment of expenses by the**
11 **Oregon Business Development Department from the Oregon Fostering**
12 **Innovation Strength at Home and CHIPS Fund established under sec-**
13 **tion 6, chapter 25, Oregon Laws 2023, for the purpose of carrying out**
14 **the provisions of sections 1 to 6, chapter 25, Oregon Laws 2023.**

15 **“SECTION 9. This 2025 Act being necessary for the immediate**
16 **preservation of the public peace, health and safety, an emergency is**
17 **declared to exist, and this 2025 Act takes effect on its passage.”.**