

## **HB 4086 -1, -4 STAFF MEASURE SUMMARY**

### **House Committee On Economic Development, Small Business, and Trade**

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**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 2/2, 2/9, 2/11

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

The measure directs the Oregon Business Development Department (Business Oregon) to support designated communities' industrial symbiosis pilot projects pursuant to a \$900,000 appropriation and to develop an industrial symbiosis roadmap. The measure directs Business Oregon to support the Oregon Coast Visitors Association's (OCVA) research into and development of a fish-byproduct industrial symbiosis project pursuant to a \$640,000 appropriation. The measure amends Oregon's Regionally Significant Industrial Site (RSIS) program to expand employer eligibility and amends ORS 451.490 to allow county service districts to fund operations through charges imposed for sewage and water management services. The measure takes effect on the 91st day following adjournment sine die.

#### Detailed Summary:

##### **Industrial Symbiosis Roadmap**

- Defines the term "industrial symbiosis"
- Directs Business Oregon to create an industrial symbiosis roadmap to identify and promote industrial symbiosis projects with associated criteria, metrics, and goals
- Directs Business Oregon to submit an industrial symbiosis roadmap report with recommendations to the legislature by May 1, 2027

##### **Industrial Symbiosis Pilot Projects**

- Directs Business Oregon to support four designated communities by providing technical assistance to plan and design industrial symbiosis projects, convene community meetings, identify opportunities, and complete an engineering and feasibility study for at least one project in each community
- Designates the pilot-project communities as COR Healthy Communities, Clatsop County, Klamath County, and the Port of Morrow
- Directs Business Oregon to solicit and select service providers to provide technical support to the pilot projects by August 31, 2026
- Appropriates \$900,000 from the General Fund

##### **Replication of Iceland's 100% Fish Project**

- Directs Business Oregon to support the OCVA in its development of an industrial symbiosis project to use fish for product manufacturing, an effort to replicate the 100% Fish Project of the Iceland Ocean Cluster
- Appropriates \$640,000 from the General Fund

##### **RSIS Tax Rebate Modification**

- Modifies Oregon's RSIS program to calculate employer tax-rebate eligibility based on the cumulative number of qualifying jobs at a site as opposed to each individual employer's hiring at a site
- Applies to both urban and rural sites

##### **ISSUES DISCUSSED:**

- Sustainable jobs, revenue, and growth

- Need for initial capital investment, cataloguing of waste streams, and coordination of symbiosis projects
- Industrial symbiosis projects in neighboring states and Denmark

**EFFECT OF AMENDMENT:**

- 1 The amendment deletes the provisions modifying the RSIS program, leaving the program as is.

REVENUE: No revenue impact

FISCAL: Fiscal impact issued

- 4 The amendment modifies the Community Lender Loan Loss Account Program, requiring lenders to pursue reasonable collection efforts before recovering outstanding principal and allowing lenders to delegate recovery efforts to Business Oregon if the cost of recovery exceeds the balance of the loan. The amendment reallocates funds previously appropriated to the Disadvantaged and Emerging Small Business Loan Fund, ORS 285B.774, to the Community Lender Loan Loss Account Program, ORS 285B.780 to 285B.799.

REVENUE: Revenue impact issued\*

FISCAL: Fiscal impact issued

\*Pursuant to the revenue impact statement, "No revenue impact is expected should the -1 and the -4 amendments be adopted."

**BACKGROUND:**

Industrial symbiosis is an infrastructure approach to use one facility's waste as a resource for other businesses. Several Oregon communities have begun to explore industrial symbiosis projects. For example, [The Port of Astoria](#) is working to connect two seafood processors to capture and reuse water while recovering byproducts.

The OCVA, through its involvement in the Oregon Cluster Initiative, discovered a concept called the [100% Fish Project](#), which is being implemented by the Iceland Ocean Cluster. This approach uses byproducts from the fishing industry for high-value goods, including cosmetics, supplements, and pharmaceuticals.

[Oregon's RSIS program](#), created by Senate Bill 246 (2013), authorizes Business Oregon to offer partially forgivable loans or reimbursement of project costs to fund site development. There are twelve approved RSIS sites, representing 6,250 acres of industrial land that are expected to generate over 34,000 jobs and potentially receive reimbursement of approximately \$570 million of project costs.

The [Community Lender Loan Loss Account \(CLLLA\) Program](#) provides capitalized loan loss reserves for participating community lenders. The loan loss reserves are intended to mitigate credit risks typically associated with lending to start-ups, early stage businesses and borrowers lacking capital.