

A-Engrossed House Bill 4104

Ordered by the House February 16
Including House Amendments dated February 16

Sponsored by Representative NGUYEN D, Senators SOLLMAN, MEEK; Representatives ANDERSEN, BUNCH, ISADORE, JAVADI, LEVY B, RIEKE SMITH, WISE, Senators BROADMAN, FREDERICK, PATTERSON (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act would let state CHIPS Fund grants be awarded to firms that could get federal semiconductor financial assistance under the CHIPS Act but have not applied for it. The Act would expand the kinds of businesses that may receive state CHIPS Fund grants. The Act would rename the Oregon CHIPS Fund as the Oregon Fostering Innovation Strength at Home and CHIPS Fund. (Flesch Readability Score: 61.9).

Authorizes Oregon CHIPS Fund grants and loans to businesses that are eligible for federal semiconductor financial assistance under the CHIPS Act but have not applied for it. Expands the kinds of businesses that may receive Oregon CHIPS Fund grants and loans. Renames the Oregon CHIPS Fund as the Oregon Fostering Innovation Strength at Home and CHIPS Fund.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to economic development; creating new provisions; amending ORS 329A.743 and sections
3 1, 2, 3, 4, 5, 6 and 7, chapter 25, Oregon Laws 2023; repealing section 10, chapter 81, Oregon
4 Laws 2024; and declaring an emergency.

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1. Section 2 of this 2026 Act is added to and made a part of sections 1 to 6,**
7 **chapter 25, Oregon Laws 2023.**

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

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

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

17 (a) "Covered entity" [*has the meaning given that term by 15 U.S.C. 4651(2)*] **means a private**
18 **entity, a consortium of private entities or a consortium of nonprofit, public and private en-**
19 **tities with a demonstrated ability to substantially finance, construct, expand or modernize**
20 **a facility relating to fabrication, assembly, testing, advanced packaging, production or re-**
21 **search and development for targeted industries, materials used for manufacturing in tar-**
22 **geted industries or manufacturing equipment for targeted industries.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (b) “Covered incentive” has the meaning given that term by 15 U.S.C. 4651(3).

2 (c) “Federal semiconductor financial assistance” means assistance available under the program
3 established pursuant to 15 U.S.C. 4652(a)(1) or 15 U.S.C. 4656(c) for financial assistance to the
4 semiconductor industry.

5 (d) “Program grants and loans” means grants awarded and loans made under the program de-
6 veloped by the Oregon Business Development Department pursuant to this section.

7 (e) **“Targeted industry” means industries identified by the Oregon Business Development**
8 **Department as providing the State of Oregon with the best opportunities for growth, inno-**
9 **vation, high wages, competitiveness and statewide prosperity.**

10 (2)(a) The Oregon Business Development Department shall develop a program to award grants
11 and make loans from moneys in the Oregon **Fostering Innovation Strength at Home and CHIPS**
12 Fund established under section 6, chapter 25, Oregon Laws 2023, to businesses applying for federal
13 semiconductor financial assistance.

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

16 (B) Notwithstanding the duties and powers conferred respectively on the department and the
17 Governor under sections 1 to 6, chapter 25, Oregon Laws 2023, the department and the Governor
18 may consult each other with respect to any duty or power so conferred.

19 (c) It is the intent of the Legislative Assembly that program grants and loans be treated by the
20 United States Secretary of Commerce as covered incentives for purposes of the federal semicon-
21 ductor financial assistance program.

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

23 [(A) *If a business’s application for federal semiconductor financial assistance is approved, activities*
24 *undertaken in connection with the federal semiconductor financial assistance program; and]*

25 [(B) *Regardless of whether a business’s application for federal semiconductor financial assistance*
26 *is approved:]*

27 (A) **If a business applies for federal semiconductor financial assistance and is approved,**
28 **activities undertaken in connection with the federal semiconductor financial assistance pro-**
29 **gram; and**

30 (B) **Regardless of whether a business applies for federal semiconductor financial assist-**
31 **ance or is approved:**

32 (i) The development of a site for a semiconductor or other [*advanced manufacturing facility*]
33 **targeted industry investment**, including, but not limited to, the acquisition and aggregation of
34 land;

35 (ii) Research and development with respect to semiconductors or [*advanced manufacturing*] **tar-**
36 **geted industries**; or

37 (iii) Partnering with institutions of higher education, including, but not limited to, historically
38 Black colleges and universities, career technical training institutions, regional collaborative groups,
39 local workforce development boards as defined in ORS 660.300, programs funded through the federal
40 Workforce Innovation and Opportunity Act (P.L. 113-128) and apprenticeship programs registered
41 with the State Apprenticeship and Training Council for the purpose of workforce development and
42 the creation of training, registered apprenticeship and internship opportunities, with respect to
43 semiconductors or [*advanced manufacturing*] **targeted industries**.

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

1 (A) The prevailing rate of wage for workers in each trade or occupation in each locality as de-
2 termined by the Commissioner of the Bureau of Labor and Industries under ORS 279C.815; or

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

5 (4)(a) A business that is a covered entity may apply to the department under section 2, chapter
6 25, Oregon Laws 2023, for a program grant or loan.

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

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

13 (c)(A) Program loans:

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

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

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

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

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

26 (i) If the term of the agreement is not more than five years, \$1.25 million in state and local re-
27 venue; or

28 (ii) If the term of the agreement is more than five years, \$1.5 million in state and local revenue.

29 (B) The department and the recipient business may specify in the program grant or loan agree-
30 ment what the term "revenue" includes.

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

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

34 (B) That pay on average at least the average median income for the region of this state in which
35 the services will be performed.

36 [(g)(A) *In addition to program grants and loans, an application assistance grant, in an amount not*
37 *to exceed \$50,000, may be awarded to a business whose application is approved under section 3, chapter*
38 *25, Oregon Laws 2023, for the costs of preparing and submitting the business's application for federal*
39 *semiconductor financial assistance.*]

40 [(B) *Application assistance grants may be made from moneys in the fund or from any other source*
41 *of funding available for such purpose to the department or the Governor.*]

42 [(5) *Program grants receiving federal semiconductor financial assistance under 15 U.S.C. 4656(c)*
43 *are exempt from.*]

44 [(a) *Subsection (4)(e) and (f) of this section;*]

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

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

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

3 **Sec. 2.** (1)(a) The Oregon Business Development Department shall prescribe an application pro-
4 cess, including forms and deadlines, by which businesses may apply under this section for program
5 grants and loans.

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

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

9 *[(B) Include its statement of interest or draft application for federal semiconductor financial as-*
10 *sistance;]*

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

13 *[(D)] (B) Explain how the proposed activities of the applicant business will promote the expan-*
14 *sion and long-term economic viability of the [semiconductor] **applicable targeted** industry in Oregon,*
15 *including research and development, manufacturing and other critical links in the [semiconductor]*
16 *supply chain;*

17 *[(E)] (C) State the amount of program grant or loan proceeds sought under this section along*
18 *with a detailed description of the proposed expenditure of the proceeds;*

19 *[(F) If the application includes a request for an application assistance grant, state the amount of*
20 *the application assistance grant sought and demonstrate the applicant business's need for the applica-*
21 *tion assistance grant;]*

22 *[(G)] (D) Explain how the applicant business will meet the requirements under section 1 (4)(e)*
23 *or (f), **chapter 25, Oregon Laws 2023** [of this 2023 Act], setting forth at a minimum such information*
24 *as:*

25 (i) For state and local revenue, the kinds, amounts and timing of the revenue to be generated;
26 or

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

29 *[(H)] (E) Include any other information that the department or the Governor considers neces-*
30 *sary or important for review of the application; and*

31 *[(I)] (F) Sign the application through an authorized director, officer, employee or agent under*
32 *penalties for false swearing.*

33 (2)(a) Upon request, the department may consult with an applicant business about the business's
34 application, before or after submission.

35 (b) An applicant business may amend and resubmit its application at any time within the appli-
36 cation period.

37 (3) Trade secrets, as defined in ORS 646.461, that are submitted to the department as part of an
38 application under this section shall be exempt from disclosure under ORS 192.311 to 192.478 until
39 January 1, *[2027]* **2030**.

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

41 **Sec. 3.** (1)(a) The Oregon Business Development Department and the Governor shall review all
42 timely and complete applications for program grants and loans, with such distribution of duties and
43 powers as the department and the Governor may arrange.

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

45 (A) Approve the application;

1 (B) Approve the application for a program grant or loan[, *or application assistance grant,*] in an
2 amount other than the amount requested; or

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

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

6 [(d)] (c) The decisions made with respect to an application are not subject to appeal.

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

9 [(a) *Projects that will promote the expansion and long-term economic viability of the semiconductor*
10 *industry in Oregon, including research and development, manufacturing and other critical links in the*
11 *semiconductor supply chain;*]

12 [(b) *Projects that will promote and extend Oregon's leadership in the field of technology;*]

13 (a) **Projects that will promote the expansion and long-term economic viability of semi-**
14 **conductors and targeted industries in Oregon, including research and development, manu-**
15 **facturing and supply chains;**

16 (b) **Projects that will promote and extend Oregon in the fields of technology and manu-**
17 **facturing;**

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

19 (d) Projects that will secure supply in Oregon for [*critical sectors of the state economy*] **semi-**
20 **conductors or targeted industries;**

21 (e) Projects that reflect an applicant business's established relationship, or commitment to build
22 a relationship, with organizations focused on developing a diverse workforce pipeline;

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

24 (g) Applicant businesses that have formed partnerships for the purpose of workforce develop-
25 ment or the creation of training, registered apprenticeship or internship opportunities; **and**

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

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

30 [(i) *Applications that propose projects described in 15 U.S.C. 4652(a)(2)(B)(i) that will incorporate*
31 *significant participation by businesses owned by members of underrepresented communities and eco-*
32 *nomically disadvantaged individuals; and*]

33 [(j)] (h) Applications that, taken together, represent regional diversity in Oregon.

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

36 (A) Notify the applicant business of the decision and the reasons for the decision; and

37 (B) For an approved application, offer to the applicant business a program grant or loan agree-
38 ment [*and, if applicable, an application assistance grant*].

39 (b) Upon entering into a program grant or loan agreement with the applicant business, the de-
40 partment shall distribute to the business from the Oregon **Fostering Innovation Strength at Home**
41 **and CHIPS Fund** established under section 6, **chapter 25, Oregon Laws 2023**, [*of this 2023 Act*] the
42 amount set forth in the agreement.

43 (4)(a) If a business that has entered into an agreement pursuant to this section changes owner-
44 ship during the term of the agreement, the department and the Governor may allow the continued
45 use of the program grant or loan proceeds provided the business enters into a new agreement with

1 the department that commits the business to continuing the project as proposed in the application
2 approved under this section.

3 (b) In the new agreement, the department may agree to minor changes in the terms of the ori-
4 ginal agreement that the department and the Governor [*considers*] **consider** reasonable in the cir-
5 cumstances and faithful to the purpose for which the business's application was approved.

6 **SECTION 6.** Section 4, chapter 25, Oregon Laws 2023, is amended to read:

7 **Sec. 4.** (1) At least once every six months following the date on which a business enters into
8 a program grant or loan agreement with the Oregon Business Development Department under sec-
9 tion 3, **chapter 25, Oregon Laws 2023** [*of this 2023 Act*], for as long as the agreement is in effect,
10 the business shall report to the department the following:

11 (a) The status of the business's application for federal semiconductor financial assistance;

12 (b) Progress on the project to construct, expand or modernize the facility for which the grant
13 was awarded or the loan made, including, but not limited to, the acquisition or aggregation of land
14 and the status of the permits required for the project;

15 (c)(A) State and local revenue generated in accordance with section 1 (4)(e), **chapter 25,**
16 **Oregon Laws 2023** [*of this 2023 Act*], setting forth at a minimum the kinds, amounts and timing of
17 the revenue generated, as well as of any proposed revenue yet to be generated; or

18 (B) The number of jobs created in accordance with section 1 (4)(f), **chapter 25, Oregon Laws**
19 **2023**, [*of this 2023 Act*] and the job descriptions, weekly hours, pay scale and locations of the jobs,
20 as well as of jobs yet to be created;

21 (d) Any research and development work conducted with respect to semiconductors or [*advanced*
22 *manufacturing*] **targeted industries**;

23 (e) Any partnerships the business has engaged in with institutions of higher education or re-
24 gional workforce programs for the purpose of workforce development and the creation of training,
25 registered apprenticeship and internship opportunities;

26 (f) The status of any other consideration for which the business's application was given prefer-
27 ence under section 3 (2), **chapter 25, Oregon Laws 2023** [*of this 2023 Act*];

28 (g) The economic impact of the project on businesses in this state, including, but not limited to,
29 the impact on supply chains;

30 (h) The economic and environmental impact of the project on communities in this state; and

31 (i) Any other information required by the department or the Governor.

32 (2) Not later than March 15 and September 15 of each year in which any program grant or loan
33 agreement remains in effect, the department shall submit to the Oregon Business Development
34 Commission established under ORS 285A.040 a report summarizing the semiannual information re-
35 ceived from businesses pursuant to subsection (1) of this section.

36 (3) Not later than September 15 of each year in which any program grant or loan agreement
37 remains in effect, the department shall submit, in the manner required under ORS 192.245, a report
38 summarizing the information received from businesses pursuant to subsection (1) of this section, to
39 the interim committees of the Legislative Assembly related to economic development.

40 **SECTION 7.** Section 5, chapter 25, Oregon Laws 2023, is amended to read:

41 **Sec. 5.** (1)(a) A business that received a program grant or loan[, *including an application as-*
42 *sistance grant,*] shall become liable for immediate repayment of the full amount of the grant or the
43 outstanding principal amount of the loan, if:

44 (A) The business has not begun, on or before January 1, [2027] **2030**, the process of applying for
45 permits required for the project for which the grant was awarded or the loan made;

1 (B) The project changes substantially from the project for which the business's application was
2 approved such that the project would not have been eligible for the program grant or loan;

3 (C) On or before the earlier of a date, if any, specified in the program grant or loan agreement
4 or January 1, [2033] **2036**:

5 (i) The business has not generated state and local revenue in accordance with section 1 (4)(e),
6 **chapter 25, Oregon Laws 2023** [of this 2023 Act]; or

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

9 (D) The business has not complied with all environmental standards applicable to the project
10 under law or has not cured its noncompliance within a reasonable time, as determined by the
11 Oregon Business Development Department or the Governor; or

12 (E) The business has not complied with all labor standards applicable to the project under law
13 or the program grant or loan agreement or has not cured its noncompliance within a reasonable
14 time, as determined by the department or the Governor.

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

18 (2) Any and all amounts required to be repaid under this section shall be considered to be liq-
19 uidated and delinquent, and the Oregon Business Development Department shall assign such
20 amounts to the Department of Revenue for collection as provided in ORS 293.250.

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

28 (4) Subject to ORS 293.250, all amounts repaid to the Oregon Business Development Department
29 or the Department of Revenue under this section, including award amounts, penalties, interest, fees
30 and any other charges, shall be transferred to the Oregon **Fostering Innovation Strength at**
31 **Home and CHIPS** Fund established under section 6, **chapter 25, Oregon Laws 2023** [of this 2023
32 Act].

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

35 **Sec. 6.** (1) The Oregon **Fostering Innovation Strength at Home and CHIPS** Fund is estab-
36 lished in the State Treasury, separate and distinct from the General Fund. Interest earned by the
37 Oregon **Fostering Innovation Strength at Home and CHIPS** Fund shall be credited to the fund.

38 (2) Moneys in the fund shall consist of:

39 (a) Amounts appropriated or otherwise transferred or credited to the fund by the Legislative
40 Assembly;

41 (b) Earnings received on moneys in the fund; and

42 (c) Other moneys, or proceeds of property, from any public or private source that are trans-
43 ferred, donated or otherwise credited to the fund.

44 (3) Moneys in the Oregon **Fostering Innovation Strength at Home and CHIPS** Fund are
45 continuously appropriated to the Oregon Business Development Department for the following pur-

1 poses:

2 (a) Paying the actual costs incurred by the department in developing and administering sections
3 1 to 6, chapter 25, Oregon Laws 2023;

4 (b) Carrying out the provisions of sections 1 to 6, chapter 25, Oregon Laws 2023;

5 (c) Transferring moneys to the Semiconductor Talent Sustaining Fund established under section
6 **2, chapter 89, Oregon Laws 2024** [of this 2024 Act]; and

7 (d) Transferring moneys to the CHIPS Child Care Fund established under [section 3 of this 2024
8 Act] **ORS 329A.743** for the purpose of carrying out [section 2 of this 2024 Act] **ORS 329A.740**.

9 [(4) Moneys in the Oregon CHIPS Fund on June 30, 2023, shall be retained in the fund, and used
10 for the purposes set forth in subsection (3) of this section, until June 30, 2025.]

11 [(5) Any moneys remaining in the Oregon CHIPS Fund on June 30, 2025, shall be transferred to
12 the General Fund.]

13 **SECTION 9.** ORS 329A.743, as amended by section 3a, chapter 81, Oregon Laws 2024, is
14 amended to read:

15 329A.743. (1) The CHIPS Child Care Fund is established in the State Treasury, separate and
16 distinct from the General Fund. Interest earned by the CHIPS Child Care Fund shall be credited
17 to the fund.

18 (2) Moneys in the fund are continuously appropriated to the Oregon Business Development De-
19 partment for the following purposes:

20 (a) Paying the actual costs incurred by the department to develop and administer this section
21 and ORS 329A.740; and

22 (b) Carrying out this section and ORS 329A.740, including transferring moneys to the Bureau
23 of Labor and Industries to develop and administer the program described in ORS 329A.740.

24 (3) The Oregon Business Development Department may transfer moneys deposited in the fund
25 to the Child Care Infrastructure Fund established under ORS 329A.725. Moneys transferred under
26 this subsection shall be used by the department to provide financial assistance under ORS 329A.727
27 **for the purposes of increasing child care infrastructure in geographic areas in this state**
28 **where semiconductor or other targeted industry facilities are presently located or scheduled**
29 **to be constructed under sections 1 to 6, chapter 25, Oregon Laws 2023.**

30 (4) The Oregon Business Development Department shall administer the CHIPS Child Care Fund
31 in consultation with the Bureau of Labor and Industries.

32 (5) The fund shall consist of moneys credited to the fund, including:

33 (a) Moneys appropriated to the fund by the Legislative Assembly;

34 (b) Moneys transferred to the fund by the Oregon Business Development Department;

35 (c) **Moneys transferred from the Oregon Fostering Innovation Strength at Home and**
36 **CHIPS Fund established in section 6, chapter 25, Oregon Laws 2023;**

37 [(c)] (d) Moneys contributed to the **CHIPS Child Care** Fund by businesses that receive a pro-
38 gram grant or loan under section 3, chapter 25, Oregon Laws 2023, [and] **or** federal semiconductor
39 financial assistance, as defined in section 1, chapter 25, Oregon Laws 2023;

40 [(d)] (e) Earnings on moneys in the fund;

41 [(e)] (f) Moneys received from the federal or state government; and

42 [(f)] (g) Moneys from any other public or private source.

43 **SECTION 10.** ORS 329A.743, as amended by section 3a, chapter 81, Oregon Laws 2024, and
44 section 9 of this 2026 Act, is amended to read:

45 329A.743. (1) The CHIPS Child Care Fund is established in the State Treasury, separate and

1 distinct from the General Fund. Interest earned by the CHIPS Child Care Fund shall be credited
2 to the fund.

3 (2) Moneys in the fund are continuously appropriated to the Oregon Business Development De-
4 partment for the following purposes:

5 (a) Paying the actual costs incurred by the department to develop and administer this section
6 and ORS 329A.740; and

7 (b) Carrying out this section and ORS 329A.740, including transferring moneys to the Bureau
8 of Labor and Industries to develop and administer the program described in ORS 329A.740.

9 (3) The Oregon Business Development Department may transfer moneys deposited in the fund
10 to the Child Care Infrastructure Fund established under ORS 329A.725. Moneys transferred under
11 this subsection shall be used by the department to provide financial assistance under ORS 329A.727
12 *[for the purposes of increasing child care infrastructure in geographic areas in this state where semi-*
13 *conductor or other targeted industry facilities are presently located or scheduled to be constructed un-*
14 *der sections 1 to 6, chapter 25, Oregon Laws 2023].*

15 (4) The Oregon Business Development Department shall administer the CHIPS Child Care Fund
16 in consultation with the Bureau of Labor and Industries.

17 (5) The fund shall consist of moneys credited to the fund, including:

18 (a) Moneys appropriated to the fund by the Legislative Assembly;

19 (b) Moneys transferred to the fund by the Oregon Business Development Department;

20 *[(c) Moneys transferred from the Oregon Fostering Innovation Strength at Home and CHIPS Fund*
21 *established in section 6, chapter 25, Oregon Laws 2023;]*

22 *[(d) Moneys contributed to the CHIPS Child Care Fund by businesses that receive a program grant*
23 *or loan under section 3, chapter 25, Oregon Laws 2023, or federal semiconductor financial assistance,*
24 *as defined in section 1, chapter 25, Oregon Laws 2023;]*

25 *[(e)] (c) Earnings on moneys in the fund;*

26 *[(f)] (d) Moneys received from the federal or state government; and*

27 *[(g)] (e) Moneys from any other public or private source.*

28 **SECTION 11. The amendments to ORS 329A.743 by section 10 of this 2026 Act become**
29 **operative on January 1, 2036.**

30 **SECTION 12. Section 10, chapter 81, Oregon Laws 2024, is repealed.**

31 **SECTION 13. Section 7, chapter 25, Oregon Laws 2023, is amended to read:**

32 **Sec. 7. [Sections 1 to 6 of this 2023 Act are repealed on January 2, 2033.]**

33 **(1) Section 1, chapter 25, Oregon Laws 2023, as amended by section 6, chapter 89, Oregon**
34 **Laws 2024, and section 3 of this 2026 Act, is repealed on January 2, 2036.**

35 **(2) Section 1a, chapter 25, Oregon Laws 2023, is repealed on January 2, 2036.**

36 **(3) Section 2, chapter 25, Oregon Laws 2023, as amended by section 4 of this 2026 Act, is**
37 **repealed on January 2, 2036.**

38 **(4) Section 3, chapter 25, Oregon Laws 2023, as amended by section 5 of this 2026 Act, is**
39 **repealed on January 2, 2036.**

40 **(5) Section 4, chapter 25, Oregon Laws 2023, as amended by section 6 of this 2026 Act, is**
41 **repealed on January 2, 2036.**

42 **(6) Section 5, chapter 25, Oregon Laws 2023, as amended by section 7 of this 2026 Act, is**
43 **repealed on January 2, 2036.**

44 **(7) Section 6, chapter 25, Oregon Laws 2023, as amended by section 5, chapter 81, Oregon**
45 **Laws 2024, section 7, chapter 89, Oregon Laws 2024, and section 8 of this 2026 Act, is repealed**

1 on January 2, 2036.

2 (8) Section 2 of this 2026 Act is repealed on January 2, 2036.

3 **SECTION 14.** Section 2 of this 2026 Act and the amendments to sections 1, 2, 3, 4, 5 and
4 6, chapter 25, Oregon Laws 2023, by sections 3 to 8 of this 2026 Act apply to applications for
5 grants and loans filed under section 2, chapter 25, Oregon Laws 2023, on or after the effective
6 date of this 2026 Act.

7 **SECTION 15.** (1) The amendments to section 6, chapter 25, Oregon Laws 2023, by section
8 8 of this 2026 Act are intended to change the name of the “Oregon CHIPS Fund” to the
9 “Oregon Fostering Innovation Strength at Home and CHIPS Fund.”

10 (2) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel
11 may substitute for words designating the “Oregon CHIPS Fund,” wherever they occur in
12 statutory law, other words designating the “Oregon Fostering Innovation Strength at Home
13 and CHIPS Fund.”

14 **SECTION 16.** There is appropriated to the Oregon Business Development Department, for
15 the biennium ending June 30, 2027, out of the General Fund, the amount of \$4,000,000 for
16 deposit in the Oregon Fostering Innovation Strength at Home and CHIPS Fund established
17 under section 6, chapter 25, Oregon Laws 2023, to be used for any purpose for which moneys
18 in the fund may be used.

19 **SECTION 17.** There is allocated for the biennium ending June 30, 2027, from the Admin-
20 istrative Services Economic Development Fund, to the Oregon Business Development De-
21 partment, the amount of \$6,000,000 for deposit in the Oregon Fostering Innovation Strength
22 at Home and CHIPS Fund established under section 6, chapter 25, Oregon Laws 2023, to be
23 used for any purpose for which moneys in the fund may be used.

24 **SECTION 18.** This 2026 Act being necessary for the immediate preservation of the public
25 peace, health and safety, an emergency is declared to exist, and this 2026 Act takes effect
26 on its passage.