

# Senate Bill 350

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## 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 **as introduced**.

Modifies administrative provisions for economic and community development. Revises economic and community development programs.

Establishes Community Investment Fund. Continuously appropriates moneys from fund to Economic and Community Development Department. Establishes Innovation Acceleration Fund. Continuously appropriates moneys from fund to department for specified purposes.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to economic development; creating new provisions; amending ORS 184.632, 238.015,  
3 238A.005, 276.285, 284.540, 284.706, 285A.010, 285A.020, 285A.040, 285A.045, 285A.050, 285A.055,  
4 285A.070, 285A.075, 285A.095, 285A.190, 285A.206, 285A.224, 285A.340, 285A.346, 285A.349,  
5 285A.486, 285B.050, 285B.053, 285B.056, 285B.059, 285B.062, 285B.083, 285B.092, 285B.093,  
6 285B.123, 285B.126, 285B.129, 285B.132, 285B.135, 285B.138, 285B.141, 285B.147, 285B.165,  
7 285B.168, 285B.174, 285B.178, 285B.179, 285B.200, 285B.203, 285B.206, 285B.209, 285B.215,  
8 285B.218, 285B.230, 285B.236, 285B.239, 285B.242, 285B.245, 285B.260, 285B.263, 285B.264,  
9 285B.320, 285B.323, 285B.326, 285B.329, 285B.503, 285B.530, 285B.533, 285B.551, 285B.740,  
10 285B.743, 285B.752, 286.560, 286.585, 320.335, 329.115, 329.155, 390.063, 401.808, 417.705, 417.797,  
11 431.120, 461.540, 468B.415, 541.700, 541.755, 541.845, 576.768, 657.665, 777.760, 777.953 and 778.008;  
12 repealing ORS 285A.125, 285A.131, 285A.133, 285A.136, 285A.139, 285A.141, 285A.150, 285A.153,  
13 285A.156, 285A.159, 285A.162, 285A.165, 285A.168, 285A.170, 285A.174, 285A.185, 285A.188,  
14 285A.203, 285A.209, 285A.255, 285A.258, 285A.261, 285A.264, 285A.267, 285A.269, 285A.271,  
15 285A.272, 285A.274, 285A.277, 285A.279, 285A.282, 285A.288, 285A.600, 285A.603, 285A.606,  
16 285A.609, 285A.612, 285A.615, 285A.618, 285A.624, 285A.627, 285A.630, 285A.633, 285A.654,  
17 285A.657, 285A.660, 285A.666, 285A.669, 285A.672, 285A.675, 285A.678, 285A.681, 285A.684,  
18 285A.687, 285A.690, 285A.693, 285A.696, 285A.699, 285A.702, 285A.705, 285A.708, 285A.709,  
19 285A.711, 285A.732, 285B.071, 285B.074, 285B.077, 285B.095, 285B.139, 285B.144, 285B.150,  
20 285B.159, 285B.162, 285B.166, 285B.183, 285B.212, 285B.254, 285B.257, 285B.332, 285B.410,  
21 285B.413, 285B.419, 285B.422, 285B.428, 285B.437, 285B.440, 285B.449, 285B.455, 285B.458,  
22 285B.460, 285B.462, 285B.465, 285B.467, 285B.470, 285B.473, 285B.476, 285B.479, 285B.482,  
23 285B.560, 285B.563, 285B.566, 285B.569, 285B.572, 285B.575, 285B.578, 285B.581, 285B.584,  
24 285B.587, 285B.590, 285B.593, 285B.596, 285B.599 and 285B.755; appropriating money; and de-  
25 claring an emergency.

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

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## ADMINISTRATIVE PROVISIONS

**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.

**SECTION 1.** ORS 285A.010 is amended to read:

285A.010. As used in ORS chapters 285A, 285B and 285C, unless the context requires otherwise:

(1) “Commission” means the Oregon Economic and Community Development Commission.

(2) “Community” means an area or locality in which the body of inhabitants has common economic or employment interests. The term is not limited to a city, county or other political subdivision and need not, but may be, limited by political boundaries.

(3) “Department” means the Economic and Community Development Department.

(4) “Director” means the Director of the Economic and Community Development Department.

(5) “Distressed area” means a county, city, community or other geographic area that is designated as a distressed area by the department, based on indicators of economic distress or dislocation, including but not limited to unemployment, poverty and job loss.

(6) “International trade” means the export and import of products and services and the movement of capital for the purpose of investment.

(7) “Rural area” means an area located entirely outside of the acknowledged Portland Metropolitan Area Regional Urban Growth Boundary and the acknowledged urban growth boundaries of [the] cities **with populations** of 30,000 or more [in population, including Albany, Bend, Corvallis, Eugene, Springfield, Salem, Keizer or Medford].

(8) “Rural community” means a community located in a rural area.

(9) “Traded sector” means industries in which member firms sell their goods or services into markets for which national or international competition exists.

**(10) “Small business” means a business having 100 or fewer employees.**

**SECTION 2.** ORS 285A.020 is amended to read:

285A.020. [(1) *The Legislative Assembly finds that:*]

[(a) *Oregon’s economy continues to experience change and adjustment that greatly affect the well-being of its citizens.*]

[(b) *The state has a need for continuing economic development to help provide the jobs for its citizens that lead to community vitality and a high quality of life.*]

[(2) *The Legislative Assembly further finds that:*]

[(a) *Oregon’s human resources constitute a major asset in the state’s effort to promote economic expansion and improvement.*]

[(b) *Oregon’s natural resources provide ample opportunities for productive and beneficial economic enterprise.*]

[(c) *Oregon’s location on the growing economy of the Pacific Rim provides substantial opportunities and challenges in international trade.*]

[(d) *Oregon’s special heritage, its respect for and cultivation of its environment and its quality of life are a unique and sustaining virtue that will both guide and assist in maintaining the state’s economic health.*]

[(3)] **(1)** It is the purpose of ORS chapters 285A, 285B and 285C to promote [the improvement of Oregon’s economy to better provide for the well-being of its citizens] **the advancement of Oregon’s economy.**

**(2) The Legislative Assembly declares that it is the immediate economic strategy of the state to:**

**(a) Create investment opportunities and attract jobs;**

**(b) Promote innovation and research to improve the national and global competitiveness of Oregon companies; and**

1       **(c) Assist communities to build the capacity to attract, retain and expand businesses,**  
 2 **including financing necessary infrastructure.**

3       **(3) To [that end] promote the advancement of the Oregon economy and implement the**  
 4 **immediate economic strategy of the state,** the Economic and Community Development Depart-  
 5 ment shall invest resources in accordance with the following principles:

6       (a) Structures and processes for making public investments and dealing with local and regional  
 7 issues must be designed flexibly so that actions can adapt to the constantly changing conditions and  
 8 demands under which communities and businesses operate.

9       (b) Partnerships among local, state and federal, public and private players should be used to set  
 10 direction, develop projects and set priorities.

11       (c) The expected impact of public investments at all levels should be explicitly identified, in  
 12 terms of measurable outcomes, whenever possible.

13       (d) State, federal and community goals, constraints and obligations should be identified at the  
 14 beginning of the public investment planning process, and the state should work actively with com-  
 15 munities and regions to accomplish their mutual objectives.

16       (4) *[The Legislative Assembly declares that it is the immediate economic strategy of the state to:]*

17       *[(a) Focus on Oregonians in communities that are rural, economically distressed or lack diverse*  
 18 *employment opportunities, including providing assistance in recruiting jobs from outside the community*  
 19 *or state and financing necessary infrastructure;]*

20       *[(b) Assist Oregonians who are underemployed or in low income jobs;]*

21       *[(c) Assist start-up companies and companies already doing business in Oregon;]*

22       *[(d) Help regions that are committed to making strong progress toward an integrated structure and*  
 23 *process for strategic planning and project development; and]*

24       *[(e) Focus on strategies and investments that maximize the economic benefit to the state of the*  
 25 *global shift to an information, science and technology driven economy and on industries and companies*  
 26 *that make significant use of the high-capacity telecommunications, science and technology-related man-*  
 27 *ufacturing processes or knowledge transfer typical of these emerging economic sectors.]* **When the**  
 28 **Economic and Community Development Department provides funds for projects, programs,**  
 29 **technical assistance or otherwise pursuant to ORS chapters 285A, 285B and 285C and ORS**  
 30 **329.905 to 329.975, the department shall give priority to:**

31       **(a) Assisting counties, cities, communities or other geographic areas that are designated**  
 32 **as distressed areas by the department; and**

33       **(b) Assisting small businesses in Oregon by encouraging the creation of new businesses,**  
 34 **expanding existing businesses and retaining economically distressed businesses that are**  
 35 **economically viable.**

36       **SECTION 3.** ORS 285A.040 is amended to read:

37       285A.040. (1) There is established the Oregon Economic and Community Development Commis-  
 38 sion consisting of [seven] **nine** members appointed as follows:

39       (a) One nonvoting, ex officio member appointed from among the members of the Senate by the  
 40 President of the Senate;

41       (b) One nonvoting, ex officio member appointed from among the members of the House of Rep-  
 42 resentatives by the Speaker of the House of Representatives; and

43       (c) *[Five]* **Seven** members appointed by the Governor, subject to confirmation by the Senate in  
 44 the manner prescribed in ORS 171.562 and 171.565. The Governor shall appoint members of the  
 45 commission in compliance with all of the following:

1 (A) Members shall be appointed with [*due*] consideration given to representation of the different  
 2 geographic regions of the state, and at least [*one member shall be a resident*] **two members shall**  
 3 **be residents** of the area east of the Cascade Range.

4 (B) Not more than [*three*] **four** members [*shall*] **may** belong to one political party. Party affil-  
 5 iation shall be determined by the appropriate entry on official election registration cards.

6 (C) [*At least one member shall be an individual with substantial experience or training in inter-*  
 7 *national trade or an individual who, at the time of appointment, is involved in international trade. The*  
 8 *member's experience or involvement in international trade may include importing or exporting goods*  
 9 *into or from the State of Oregon.*] **Members shall be appointed with consideration given to rep-**  
 10 **resentation of the following areas of expertise or training:**

11 (i) **International trade;**

12 (ii) **Small business needs and issues;**

13 (iii) **Local government needs and issues;**

14 (iv) **Marketing and branding;**

15 (v) **Arts and culture;**

16 (vi) **Finance;**

17 (vii) **Innovation;**

18 (viii) **Telecommunications; or**

19 (ix) **Other areas of training or expertise identified by the commission.**

20 (2)(a) The term of office of each member appointed by the Governor is four years, but a member  
 21 serves at the pleasure of the Governor. Before the expiration of the term of a member appointed by  
 22 the Governor, the Governor shall appoint a successor whose term begins on July 1 next following.  
 23 A member appointed by the Governor is eligible for reappointment. In case of a vacancy among the  
 24 members appointed by the Governor for any cause, the Governor shall appoint a person to fill the  
 25 office for the unexpired term.

26 (b) The term of office of the member appointed by the President of the Senate is four years. In  
 27 case of a vacancy for any cause, the President of the Senate shall appoint a Senator to fill the office  
 28 for the unexpired term.

29 (c) The term of office of the member appointed by the Speaker of the House of Representatives  
 30 is two years. In case of a vacancy for any cause, the Speaker of the House of Representatives shall  
 31 appoint a Representative to fill the office for the unexpired term.

32 (3) A member of the commission who is appointed by the Governor is entitled to compensation  
 33 and expenses as provided by ORS 292.495.

34 (4) The Governor shall appoint one of the voting commissioners as presiding officer of the  
 35 commission. The presiding officer shall have duties and powers as the commission determines are  
 36 necessary for the office.

37 (5) [*Three*] **Four** voting members of the commission constitute a quorum for the transaction of  
 38 business.

39 (6) The commission shall meet at least quarterly at a time and place determined by the com-  
 40 mission. The commission shall also meet at [*such*] other times and places as are specified by the call  
 41 of the presiding officer or **by the call** of a majority of the voting members of the commission.

42 (7) A vacancy among the voting members of the commission does not impair the right of the  
 43 remaining voting commissioners to exercise all the powers of the commission. If the remaining vot-  
 44 ing commissioners are unable to agree, the Governor shall have the right to vote as a member of  
 45 the commission.

1       **SECTION 4.** ORS 285A.045 is amended to read:

2       285A.045. *[(1) As its primary duty, the Oregon Economic and Community Development Commission*  
3 *shall develop and maintain an economic and community development policy for this state that imple-*  
4 *ments the strategy declared in ORS 285A.020 (4) and that includes policies that:]*

5       *[(a) Maintain and create jobs that raise real wage levels of Oregon workers.]*

6       *[(b) Increase the skill levels of the Oregon workforce.]*

7       *[(c) Improve the competitiveness of this state's traded sector industries, including industries char-*  
8 *acterized by significant use of high-capacity telecommunications, science and technology-related manu-*  
9 *facturing processes or knowledge transfer, and achieve benchmarks for those industries established by*  
10 *the Oregon Progress Board.]*

11       *[(d) Invest public moneys in a manner that produces the greatest possible return on investment.]*

12       *[(e) Support statewide and regional strategies to develop and maintain the infrastructure necessary*  
13 *to support and strengthen the economy of this state.]*

14       *[(f) Identify and eliminate barriers that impede the competitiveness of Oregon businesses.]*

15       *[(g) Encourage expansion of existing Oregon businesses and the attraction of new business and*  
16 *industry to those communities that desire such development, with particular attention to industries*  
17 *characterized by significant use of high-capacity telecommunications, science and technology-related*  
18 *manufacturing processes or knowledge transfer.]*

19       *[(h) Encourage investment in infrastructure projects, including electronic, communications and fi-*  
20 *nanacial resource projects, that benefit Internet-based entities and employees and encourage the entities*  
21 *and employees to relocate to or remain in Oregon.]*

22       *[(i) Assist in the development of microenterprise businesses in Oregon, including increasing the*  
23 *availability of training and technical assistance available to serve microenterprises.]*

24       *[(2) It is the function of the Oregon Economic and Community Development Commission to estab-*  
25 *lish the policies for economic and community development in this state in a manner consistent with the*  
26 *policies and purposes set forth in this section and ORS 285A.050. In addition, the commission shall*  
27 *perform any other duty vested in it by law.]*

28       **(1) The Oregon Economic and Community Development Commission shall provide over-**  
29 **sight and direction to the Economic and Community Development Department in carrying**  
30 **out the duties and creating policies to further the economic strategy set forth in ORS**  
31 **285A.020. In addition, the commission may perform any other duty vested in it by law.**

32       **[(3)] (2)** The commission shall keep complete and accurate records of all the meetings, trans-  
33 actions and business of the commission at the office of the Economic and Community Development  
34 Department.

35       **(3) When a power, duty or function is vested in the commission, the commission may**  
36 **designate department officers, agents, employees or committee members to exercise the**  
37 **power, duty or function of the commission. When the commission designates a person in**  
38 **writing to exercise a power, duty or function of the commission, the person may exercise the**  
39 **power, duty or function.**

40       *[(4) The commission shall set policy for and monitor programs relating to economic development*  
41 *and rural and community development and such other programs related to economic and community*  
42 *development that may be assigned by law to the department.]*

43       **[(5)] (4)** In carrying out its duties under subsection (1) of this section, the commission shall[:]

44       *[(a) Place priority on those policies that achieve benchmarks established by the Oregon Progress*  
45 *Board; and]*

1        [(b)] coordinate its activities with the policies of the **Economic Revitalization Team**, the Ed-  
 2 ucation and Workforce Policy Advisor and the policymaking bodies of the Housing and Community  
 3 Services Department, the Department of Transportation, the Department of Environmental Quality,  
 4 the Department of Land Conservation and Development and the Employment Department, as well  
 5 as other appropriate state and federal agencies.

6        **SECTION 5.** ORS 285A.050 is amended to read:

7        285A.050. (1) The Oregon Economic and Community Development Commission shall report [*an-*  
 8 *nually*] **biennially** to the Governor and the Legislative Assembly on the success of economic devel-  
 9 opment efforts. The report[,] **shall include the progress toward achievement of performance**  
 10 **measures for the Economic and Community Development Department adopted by the Legis-**  
 11 **lative Assembly.** At a minimum, **the report** shall include the following:

12        (a) For the overall Economic and Community Development Department effort and for each  
 13 identifiable program and [*significant project or service*] **funding source:**

14        [(A) *The impact of that program on the competitiveness of traded sector industries and the skill*  
 15 *levels of the Oregon workforce;*]

16        [(B)] (A) The [*impact on the*] number of jobs[, *including jobs*] created and retained;

17        [(C)] (B) The [*impact on the*] **average** wage levels of [*Oregon workers, including increases in*  
 18 *wage levels*] **jobs created and retained; and**

19        [(D)] (C) [*The actual or anticipated impact of public investments at all levels, in terms of measur-*  
 20 *able outcomes wherever possible; and*] **Other measures identified by the commission.**

21        [(E) *The impact of that program on the Internet-based entities and employees in Oregon.*]

22        (b) The status of the Oregon economy related to[:]

23        [(A)] changes in employment and wage levels [*in Oregon industries;*].

24        [(B) *Changes in employment, wage levels and competitiveness of traded sector industries; and*]

25        [(C) *Barriers that have been identified as impeding business competitiveness and productivity in*  
 26 *this state.*]

27        [(c) *Progress made toward achievement of the Oregon Benchmarks.*]

28        [(d) *Recommendations for removing identified barriers and additional suggestions for improving*  
 29 *the performance of Oregon's economy.*]

30        [(e) *Recommendations on this state's investment in its public ports, on this state's response to policy*  
 31 *issues that affect ports and for the strategic development of port facilities that promote maritime com-*  
 32 *merce, recreational opportunities and the economy of Oregon.*]

33        [(f)] (c) Progress made toward elimination of economically distressed areas of this state.

34        [(g)] (d) [*Recommendations regarding*] **Progress made toward** improving the international  
 35 competitiveness of Oregon.

36        [(h)] (e) Progress made in serving **small and** microenterprise businesses and recommendations  
 37 for increasing the success of [*microenterprises*] **small and microenterprise businesses.**

38        (f) **Other issues identified by the commission.**

39        [(2) *Whenever a power is granted to the commission, the power may be exercised by such officers,*  
 40 *employees or commission-appointed committees as are designated in writing by the commission.*]

41        [(3)] (2) Reports to the Legislative Assembly required under this section shall be made in ac-  
 42 cordance with ORS 192.245.

43        **SECTION 6.** ORS 285A.055 is amended to read:

44        285A.055. Prior to the approval of bond financing of economic development projects under ORS  
 45 285B.320 to 285B.371[, *the making of a loan under ORS 285A.666 to 285A.732*] or the making of any

1 loan or the granting of any moneys from any source, the Oregon Economic and Community Devel-  
 2 opment Commission, **or the Economic and Community Development Department as the**  
 3 **designee of the commission**, shall:

4 (1) Determine that the action is cost effective, considering both major public expenses and major  
 5 public benefits;

6 (2) Find that the project will produce goods or services which are sold in markets for which  
 7 national or international competition exists or, if the project is to be constructed and operated by  
 8 a nonprofit organization, that the project will not compete with local for-profit businesses;

9 (3) Determine that the action is the best use of the moneys involved, considering other pending  
 10 applications for those moneys;

11 (4) Find that the project involved is consistent with the Economic and Community Development  
 12 Department's comprehensive policy and programs; **and**

13 (5) Find that the project involved is consistent with applicable adopted local economic develop-  
 14 ment plans[; *and*].

15 [(6) *Provide for public notice of, and public comment on, the action.*]

16 **SECTION 7.** ORS 285A.070 is amended to read:

17 285A.070. (1) The Economic and Community Development Department is [*continued, but reor-*  
 18 *ganized as provided in this section*] **established.**

19 [(2) *The Economic and Community Development Department shall be organized by the Director of*  
 20 *the Economic and Community Development Department in whatever manner the director considers*  
 21 *necessary to conduct the work of the department efficiently and effectively, subject to approval by the*  
 22 *Oregon Economic and Community Development Commission.*]

23 [(3)] (2) The department shall be under the supervision of the Director **of the Economic and**  
 24 **Community Development Department**, who shall be appointed by and shall hold office at the  
 25 pleasure of the Governor.

26 [(4)] (3) The appointment of the director shall be subject to confirmation by the Senate in the  
 27 manner provided by ORS 171.562 and 171.565.

28 (4) **Subject to policy direction by the Oregon Economic and Community Development**  
 29 **Commission, the director shall:**

30 (a) **Be the administrative head of the department;**

31 (b) **Administer the laws of the state relating to economic development; and**

32 (c) **Intervene, as authorized by the commission, pursuant to the rules of practice and**  
 33 **procedure, in the proceedings of state and federal agencies that may substantially affect**  
 34 **economic development within Oregon.**

35 (5) **In addition to duties otherwise required by law, and subject to policy direction by the**  
 36 **commission, the director shall prescribe rules for the government of the department, the**  
 37 **conduct of its employees, the assignment and performance of its business and the custody,**  
 38 **use and preservation of its records, papers and property in a manner consistent with appli-**  
 39 **cable law.**

40 (6) **The director shall organize the department in whatever manner the director considers**  
 41 **necessary to conduct the work of the department efficiently and effectively, subject to ap-**  
 42 **proval by the commission.**

43 [(5)] (7) The director may appoint all subordinate officers and employees of the department and  
 44 may prescribe their duties, assignments and reassignments and fix their compensation, subject to  
 45 any applicable provisions of the State Personnel Relations Law. Subject to any other applicable law

1 regulating travel expenses, the officers and employees of the department shall be allowed such rea-  
 2 sonable and necessary travel and other expenses as may be incurred in the performance of their  
 3 duties.

4 **(8) The director may delegate the exercise or discharge of any power, duty or function**  
 5 **that is vested in or imposed by law upon the director to any department employee for the**  
 6 **purpose of conducting an official act in the name of the director. The official act of any**  
 7 **person acting in the name of the director by the authority of the director is an official act**  
 8 **of the director.**

9 **(9) The director may require a fidelity bond of any officer or employee of the department**  
 10 **who has charge of, handles or has access to any state money or property, and who is not**  
 11 **otherwise required by law to give a bond. The director shall fix the amount of the bond, ex-**  
 12 **cept as otherwise provided by law, and approve the sureties. The department shall pay the**  
 13 **premiums on the bond.**

14 ~~[(6)]~~ **(10) The Oregon Economic and Community Development Commission shall report period-**  
 15 **ically to the Governor on the director's performance and make appropriate recommendations.**

16 **SECTION 8.** ORS 285A.075 is amended to read:

17 *285A.075. [(1) The Economic and Community Development Department, through research, pro-*  
 18 *motion and coordination of activities in this state, shall foster the most desirable growth and ge-*  
 19 *ographical distribution of agriculture, industry and commerce in the state. The department shall serve*  
 20 *as a central coordinating agency and clearinghouse for activities and information concerning the re-*  
 21 *sources and economy of the state.]*

22 **(1) The Economic and Community Development Department shall:**

23 **(a) Implement programs and adopt rules in accordance with applicable provisions of ORS**  
 24 **chapter 183 that are consistent and necessary to carry out the policies established by the**  
 25 **Oregon Economic and Community Development Commission and the duties, functions and**  
 26 **powers vested by law in the department.**

27 **(b) Provide field representatives for the various geographic regions of the state. The field**  
 28 **representatives shall be in the unclassified service and shall receive a salary as set by the**  
 29 **Director of the Economic and Community Development Department, unless otherwise pro-**  
 30 **vided by law.**

31 **(c) Act as the official state liaison agency for persons interested in locating industrial**  
 32 **or business firms in the state and for state and local groups seeking new industry or busi-**  
 33 **ness, and maintain the confidentiality of negotiations conducted pursuant to this paragraph,**  
 34 **if requested.**

35 **(d) Coordinate state and federal economic and community development programs.**

36 **(e) Administer the state's participation in the federal Community Development Block**  
 37 **Grant funding program authorized by 42 U.S.C. 5301 et seq.**

38 **(f) Actively recruit domestic and international business firms to those communities de-**  
 39 **siring business recruitment.**

40 **(g) Consult with local governments to establish regions for the purpose of job develop-**  
 41 **ment and community assistance to facilitate economic activities in the region. Regions es-**  
 42 **tablished for this purpose need not be of the same size in geographic area or population.**

43 **(h) Establish and operate foreign trade offices in foreign countries in which the depart-**  
 44 **ment considers a foreign trade office necessary. The department shall use department em-**  
 45 **ployees, contracts with public or private persons or a combination of employees and**



1 **contractors to establish and operate foreign trade offices. Department employees, including**  
 2 **managers, who are assigned to work in a foreign trade office shall be in the unclassified**  
 3 **service, and the director shall set the salaries of such employees. ORS 276.428, 279A.120,**  
 4 **279A.140, 279A.155, 279A.275, 279B.025, 279B.235, 279B.270, 279B.280, 279C.370, 279C.500 to**  
 5 **279C.530, 279C.540, 279C.545, 279C.800 to 279C.870, 282.020, 282.050, 282.210, 282.220, 282.230,**  
 6 **283.140, 459A.475, 459A.490, 653.268 and 653.269 do not apply to the department's operation of**  
 7 **foreign trade offices outside the state.**

8 **(i) Consult with other state agencies and with local agencies and officials prior to defining**  
 9 **or designating distressed areas for purposes of ORS 285A.020.**

10 *[(2) The department shall have no regulatory power over the activities of private persons. Its*  
 11 *functions shall be solely advisory, coordinative and promotional.]*

12 *[(3) The department shall Administer the state's participation in the federal Community Develop-*  
 13 *ment Block Grant funding program authorized by 42 U.S.C. 5301 et seq.]*

14 *[(4) In order to accomplish the purposes of ORS chapters 285A, 285B and 285C and ORS 329.905*  
 15 *to 329.975, the department may expend moneys duly budgeted to pay the travel and various other ex-*  
 16 *penditures of industrial or commercial site location agents, film or video production location agents, busi-*  
 17 *ness journal writers, elected state officials or other state personnel whom the Director of the Economic*  
 18 *and Community Development Department determines may promote the purposes of this subsection.]*

19 **(j) Budget moneys for travel and various other expenses of industrial or commercial site**  
 20 **location agents, film or video production location agents, business journal writers, elected**  
 21 **state officials or other state personnel to accomplish the purposes of ORS chapters 285A,**  
 22 **285B and 285C and ORS 329.905 to 329.975. The department may expend moneys duly budgeted**  
 23 **to pay the travel and other expenses of such persons, if the director determines the expense**  
 24 **may promote the purposes of this subsection.**

25 **(k) Promulgate rules to govern contracts for personal services.**

26 **(L) Develop strategies to address issues that are necessary and appropriate to Oregon's**  
 27 **future and adopt goals that include measurable indicators of success (Oregon benchmarks)**  
 28 **that show the extent to which each goal is being achieved.**

29 *[(5) In accordance with applicable provisions of ORS chapter 183, the department may adopt rules*  
 30 *necessary for the administration of laws that the department is charged with administering.]*

31 *[(6) ORS 276.428, 279A.120, 279A.140, 279A.155, 279A.275, 279B.025, 279B.235, 279B.270,*  
 32 *279B.280, 279C.370, 279C.500 to 279C.530, 279C.540, 279C.545, 279C.800 to 279C.870, 282.020, 282.050,*  
 33 *282.210, 282.220, 282.230, 283.140, 459A.475, 459A.490, 653.268 and 653.269 do not apply to the de-*  
 34 *partment's operation of foreign trade offices outside the state.]*

35 **(2) The department shall have no regulatory power over the activities of private persons.**  
 36 **Its functions shall be solely advisory, coordinative and promotional.**

37 *[(7)]* **(3) Notwithstanding ORS 279A.140, the department may award grants or enter into con-**  
 38 **tracts [for personal services] as necessary or appropriate to carry out the duties, functions and**  
 39 **powers vested in the department by law. Contracts entered into under this subsection are ex-**  
 40 **empt from the requirements of ORS 279.835 to 279.855 and ORS chapters 279A, 279B and 279C.**  
 41 **The department shall promulgate rules governing contracts for personal services.**

42 *[(8)(a) The department may contract directly with the Oregon Downtown Development Association,*  
 43 *or its successor entity, to provide downtown development and redevelopment assistance and similar*  
 44 *services to municipalities in Oregon.]*

45 *[(b) The department may contract directly with Rural Development Initiatives, or its successor en-*

1 *tity, to provide training, technical assistance, planning assistance and other support and services to*  
 2 *municipalities in Oregon to build economic and community development capacity.]*

3 *[(c) Contracts entered into under this subsection are exempt from the requirements of ORS 279.835*  
 4 *to 279.855 and ORS chapters 279A, 279B and 279C.]*

5 *[(9) If the director determines that moneys are available, the department may transfer funds from*  
 6 *the Special Public Works Fund created under ORS 285B.455 or from the Water Fund established un-*  
 7 *der ORS 285B.563 to a state agency to provide financial assistance in the delivery of technical assist-*  
 8 *ance or other services to one or more water systems for evaluation of water quality or services or for*  
 9 *planning the improvement of water quality or services. The department may structure the financial as-*  
 10 *sistance under this subsection in the form of an interagency grant or loan or in any other manner the*  
 11 *director considers necessary or appropriate.]*

12 **SECTION 9.** ORS 285A.206 is amended to read:

13 285A.206. (1) In each calendar year, the Economic and Community Development Department  
 14 shall prepare, in accordance with generally accepted governmental accounting principles, a financial  
 15 statement **for individual funding programs as required by law.** *[relating to each of the following*  
 16 *funds:]*

17 *[(a) The Special Public Works Fund created by ORS 285B.455;]*

18 *[(b) The Title I Bank Fund established by ORS 285A.306;]*

19 *[(c) The Oregon Business Development Fund created by ORS 285B.092;]*

20 *[(d) The Oregon Port Revolving Fund created by ORS 285A.708; and]*

21 *[(e) Any other fund or account that is used by the department or Oregon Economic and Community*  
 22 *Development Commission to make loans or loan guarantees or to provide other financial assistance to*  
 23 *private business firms organized for profit.]*

24 (2) The financial statements required by this section shall record and summarize all the financial  
 25 transactions during the reporting period that involved moneys credited to a fund or account and  
 26 shall describe the financial condition of the fund or an account at the end of the reporting period.  
 27 The reporting period for financial statements required by this section shall be the fiscal year com-  
 28 mencing on July 1 and ending on June 30.

29 (3) The financial statements required by this section shall be in a form prescribed by the Sec-  
 30 retary of State.

31 (4) Each financial statement required by this section shall describe the financial transactions  
 32 and condition of a single fund and shall be submitted to the Governor, the President of the Senate  
 33 and the Speaker of the House of Representatives not later than December 31 in each year.

### 34 **BROWNFIELDS TASK FORCE**

35  
 36  
 37 **SECTION 10.** The Legislative Assembly finds that:

38 (1) **It is in the interests of the state to provide for the protection of public health and**  
 39 **safety and for the protection of the environment and to foster the remediation, transfer,**  
 40 **reuse or redevelopment of sites or groups of sites on which the threatened release of petro-**  
 41 **leum or other hazardous substances exists. The minimization of risk to public health and the**  
 42 **environment on a commercial and industrial site offers significant potential economic benefit**  
 43 **to local communities and is vital to their use and reuse as sources of employment, housing,**  
 44 **recreation and open space areas while contributing to Oregon's overall sustainability.**

45 (2) **Unknown environmental liabilities and the cost of environmental site assessment and**

1 cleanup prevent communities, developers and investors from restoring contaminated prop-  
2 erties to productive economic reuse or revitalization of impacted neighborhoods. Banks and  
3 traditional financing sources remain reluctant to finance these costs. Providing financial  
4 assistance to eligible property owners that conduct voluntary cleanups will promote the  
5 economic revitalization of property, particularly in rural communities. Therefore, it is in the  
6 interests of the state to establish financial incentives through credits, abatements or insur-  
7 ance that encourage private investment.

8 **SECTION 11.** (1) There is created the Task Force on Brownfields Tax Incentives and In-  
9 surance, consisting of at least seven members appointed by the Director of the Economic and  
10 Community Development Department as follows:

11 (a) One member from the Economic and Community Development Department;

12 (b) One member from the Department of Environmental Quality;

13 (c) One member from the Department of Consumer and Business Services;

14 (d) One member from the Department of Revenue; and

15 (e) Three or more members, who, by reason of education or experience in environmental  
16 issues, recycling, development, financing or another field related to the purposes of the task  
17 force, are qualified to serve.

18 (2) The director, in consultation with the task force chairperson, shall develop a work  
19 plan consisting of a list of subjects for study by the task force. The task force, by official  
20 action, may request a modification of the work plan. Only the director, after consultation  
21 with the chairperson, may modify the work plan.

22 (3) The list of subjects for study by the task force shall include a study of funding and  
23 programmatic strategies that now exist or may be established to provide financial incentives  
24 through credits, abatements or insurance to facilitate voluntary recycling and productive  
25 reuse of contaminated industrial and commercial properties within the state.

26 (4) A majority of the members of the task force constitutes a quorum for the transaction  
27 of business.

28 (5) Official action by the task force requires the approval of a majority of the members  
29 of the task force.

30 (6) The task force shall elect one of its members to serve as chairperson.

31 (7) If there is a vacancy for any cause, the director shall make an appointment to become  
32 immediately effective.

33 (8) The task force shall meet at times and places specified by the call of the chairperson  
34 or of a majority of the members of the task force.

35 (9) The task force may adopt rules necessary for the operation of the task force.

36 (10) The task force shall submit a report, and may include recommendations for legis-  
37 lation, to an interim committee related to Brownfields issues, including but not limited to  
38 the interim committee on Economic Development, as appropriate, no later than October 1,  
39 2008.

40 (11) The Economic and Community Development Department shall provide staff support  
41 to the task force.

42 (12) Members of the task force are not entitled to compensation, but may be reimbursed  
43 for actual and necessary travel and other expenses incurred by them in the performance of  
44 their official duties in the manner and amounts provided for in ORS 292.495. Claims for ex-  
45 penses shall be paid out of funds appropriated to the Economic and Community Development

1 **Department for that purpose.**

2 (13) **All agencies of state government, as defined in ORS 174.111, are directed to assist**  
 3 **the task force in the performance of its duties and, to the extent permitted by laws relating**  
 4 **to confidentiality, to furnish such information and advice as the members of the task force**  
 5 **consider necessary to perform their duties.**

6 **SECTION 12. Sections 10 and 11 of this 2007 Act are repealed on the date of the convening**  
 7 **of the next regular biennial legislative session.**

8  
 9 **BUSINESS RETENTION FUND**

10  
 11 **SECTION 13.** ORS 285A.224 is amended to read:

12 285A.224. (1) *[The Legislative Assembly finds that Oregon traded sector industries are experiencing*  
 13 *a period of major change and disruption, and that this change is creating severe and unpredictable*  
 14 *economic consequences for many communities and workers.]* It is the purpose of the *[Economic Sta-*  
 15 *bilization and Conversion]* **Business Retention** Fund to assist **businesses**, communities and workers  
 16 affected by **significant business transitions**, economic dislocation or the possibility of economic  
 17 dislocations to evaluate and implement alternative business or community opportunities **and to fo-**  
 18 **cus on the long term survivability of businesses.**

19 (2) The *[Economic Stabilization and Conversion]* **Business Retention** Fund is created separate  
 20 and distinct from the General Fund. The fund shall be administered by the Economic and Community  
 21 Development Department. The fund may be credited with contributions of moneys from public and  
 22 private sources and with repayments as provided in this section. Interest earned by the fund shall  
 23 be credited to the fund.

24 (3)(a) The *[Economic and Community Development]* department may allocate moneys in the fund  
 25 for the following purposes:

26 (A) Business retention service;

27 (B) Employee ownership;

28 (C) Community response to plant closures or community distress, or both; and

29 (D) Feasibility studies, **transition plans or restructuring plans.**

30 (b) The department shall establish the maximum percentage of the fund that may be allocated  
 31 for the purposes described in paragraph (a) of this subsection and a minimum match requirement,  
 32 if any.

33 (4) The *[Economic and Community Development]* department may grant, expend or loan moneys  
 34 in the fund for financial assistance, feasibility studies, **transition plans, restructuring plans**,  
 35 technical assistance and management consulting services for **business firms in transition**, troubled  
 36 firms that may close without assistance, for troubled firms that are experiencing major layoffs or  
 37 firms that have actually closed or announced closure, and for communities that are experiencing  
 38 distress due to the business closures *[and for the purpose of encouraging employee ownership]*, under  
 39 such terms and conditions as the department may determine.

40 (5) The *[Economic and Community Development]* department shall provide that firms receiving  
 41 assistance repay to the *[Economic Stabilization and Conversion]* **Business Retention** Fund any as-  
 42 sistance provided under subsection (4) of this section. *[Such provisions for repayment]* **When the**  
 43 **department sets repayment terms for a firm receiving assistance, the department** shall con-  
 44 sider the financial ability of the firm to repay assistance.

45 (6) In providing assistance from the *[Economic Stabilization and Conversion]* **Business Re-**

1 **ention** Fund, the department shall give preference to Oregon's distressed areas and its traditional  
 2 agriculture, forestry and fishing industries[, and]. **The department shall give additional priority**  
 3 **to areas including but not limited to emerging industries and industry clusters with high**  
 4 **potential for job retention and creation and market growth, as well as traded sector** firms  
 5 competing in markets for which **regional**, national or international competition exists.

6 (7) The [Economic and Community Development] department shall establish specific criteria for  
 7 expenditure of funds from the [Economic Stabilization and Conversion] **Business Retention** Fund  
 8 by adopting rules.

#### 9 10 **ASSISTANCE TO SMALL BUSINESS SERVICE PROVIDERS**

11  
12 **SECTION 14.** ORS 285A.340 is amended to read:

13 285A.340. [(1) *The Legislative Assembly finds that:*]

14 [(a) *Small businesses have been the major contributors to the increase in traded sector jobs in*  
 15 *Oregon.*]

16 [(b) *Small businesses continue to be a major source of employment opportunities for Oregon and*  
 17 *that this state ought to encourage the success and growth of small businesses as a means of providing*  
 18 *economic opportunities and jobs for Oregonians.*]

19 [(c) *Oregon's women and minority-owned businesses are underrepresented in the business commu-*  
 20 *nity.*]

21 [(d) *Those small businesses which have at least one employee and which compete in markets for*  
 22 *which national or international competition exists have the greatest potential for benefiting the economy*  
 23 *of this state.*]

24 [(e) *Access to appropriate business assistance services, rather than the cost of obtaining such ser-*  
 25 *vices, is a factor limiting the expansion of many small businesses in this state.*]

26 [(f) *Community-based lending programs are particularly well suited to meeting the needs of small*  
 27 *businesses that are unable to obtain from private financial institutions the capital that is necessary for*  
 28 *expansion.*]

29 [(g) *An effective partnership between state and local economic development programs is essential*  
 30 *to promoting the development of small businesses in this state.*]

31 [(2)] The Legislative Assembly [therefore] declares that it is [the policy of this state and] the  
 32 purpose of ORS 285A.340 to 285A.349[, 285B.074, 285B.159 and 285B.162]:

33 [(a)] (1) To assist the development of small businesses, with special emphasis on increasing the  
 34 percentage of businesses owned by women and members of minority groups;

35 [(b)] (2) To encourage competition among publicly supported small business service providers in  
 36 order to supply the most effective, highest quality services to the greatest number of businesses **for**  
 37 **the most significant long term outcomes;**

38 [(c)] (3) To foster cooperation among state agencies, state-supported organizations and private  
 39 sector entities that provide services to small businesses in order to best meet the needs of small  
 40 business clients;

41 [(d)] (4) To encourage and support the formation of private sector organizations, including trade  
 42 associations, organizations formed to meet the needs of traded sector industries and similar groups,  
 43 to serve the needs of the small businesses in this state and, to the maximum extent feasible, to co-  
 44 ordinate the small business programs of this state and of such private sector organizations; and

45 [(e)] (5) To provide support for organizations that encourage and assist the development and

1 expansion of small businesses in Oregon.

2 **SECTION 15.** ORS 285A.346 is amended to read:

3 285A.346. (1)(a) The Economic and Community Development Department may purchase business  
4 assistance services from public or private organizations for delivery to small businesses in this state  
5 or may provide grants to public or private organizations to support, aid, stimulate or otherwise af-  
6 fect the delivery of business assistance services to small businesses in this state.

7 (b) For the purposes of ORS 285A.340 to 285A.349, “business assistance services” includes:

8 (A) Basic business training, including elements of accounting, personnel management, marketing  
9 and tax compliance.

10 (B) Counseling on business needs and problems, **including but not limited to specialized as-**  
11 **istance with intellectual property rights, venture and mezzanine financing, federal research**  
12 **grants, international markets, lean manufacturing and electronic commerce.**

13 (C) Assistance in securing state and federal procurement contracts.

14 (D) Assistance in securing Oregon suppliers for goods and services.

15 (2) An organization or association that receives state moneys for the purpose of providing  
16 business assistance services to small businesses shall comply, to the greatest extent feasible, with  
17 the state policies established under ORS 285A.340 to 285A.349.

18 (3) To the extent that federal laws or regulations impose requirements that limit the payment  
19 of fees by recipients of business assistance services to small businesses, the Economic and Commu-  
20 nity Development Department and the providers of those services shall apply for waivers of such  
21 federal requirements.

22 **SECTION 16.** ORS 285A.349 is amended to read:

23 285A.349. The Economic and Community Development Department shall evaluate the efficiency  
24 and effectiveness of the delivery of business assistance services to small businesses [*under ORS*  
25 *285A.340 to 285A.349*].

26 **SECTION 17.** ORS 285B.123 is amended to read:

27 285B.123. [*(1) The Legislative Assembly finds that:*]

28 [*(a) Small businesses comprise more than 97 percent of the business entities in this state.*]

29 [*(b) Small businesses provide more than three-quarters of the private sector jobs in this state.*]

30 [*(c) The small business contribution to the economy of this state exceeds the national average con-*  
31 *tribution and its continuance is vital to the economic health and growth of this state.*]

32 [*(d) All national economic indicators establish that the greatest source of future new jobs is in the*  
33 *small business sector of the economy.*]

34 [(2)] (1) The purpose of the Oregon Small Business Development Act of 1983 is to encourage and  
35 assist the development and continued growth of small business in this state.

36 [(3)] (2) As used in the Oregon Small Business Development Act of 1983, “small business” means  
37 a [*manufacturing*] business having [200] 100 or fewer employees [*and all other forms of business*  
38 *having 50 or fewer employees*].

39 [(4) *The provisions of ORS 285B.120 and 657.471 are intended to assist in carrying out the Oregon*  
40 *Small Business Development Act of 1983.*]

41 **SECTION 18.** ORS 285B.165 is amended to read:

42 285B.165. [(1)] The purpose of ORS 285B.165 to 285B.171 is to establish and sustain a statewide  
43 network of small business development centers.

44 [(2) *The Legislative Assembly finds that:*]

45 [(a) *It is in the state’s interest to help small businesses develop and improve skills in such areas*

1 *as marketing, management and capital formation through a network of small business development*  
2 *centers;]*

3 *[(b) Small business employers create most of the new jobs in Oregon and are vital to Oregon's long*  
4 *term economic vitality;]*

5 *[(c) Community colleges and state universities can link small business with college resources, expert*  
6 *resource people in the business community and other training resources throughout the state; and]*

7 *[(d) Information resources, business counseling and training assistance in a convenient format*  
8 *support the vitality of small business.]*

9 **SECTION 19.** ORS 285B.168 is amended to read:

10 285B.168. (1) The Economic and Community Development Department may make grants available  
11 to a community college district, a community college service district or, with the concurrence of the  
12 Commissioner for Community College Services and the Chancellor of the Oregon University System,  
13 a state university to assist in the formation, improvement and operation of small business develop-  
14 ment centers. If a community college district, a community college service district or a state uni-  
15 versity is unable to adequately provide services in a specific geographic area, the department may  
16 make grants available to other service providers as determined by the department. The grant ap-  
17 plication shall include:

18 (a) Plans for providing small business owners and managers individual counseling, to the great-  
19 est extent practicable, in subject areas critical to small business success;

20 (b) A budget for the year for which a grant is requested, including cost apportionment among  
21 the Economic and Community Development Department, small business clients, the community col-  
22 lege, state university or other service providers and other sources; *[and]*

23 (c) A plan for evaluating the effect of the program on small business clients served[.]; **and**

24 **(d) A plan for providing collaboration with other state agencies, state-supported organ-**  
25 **izations and private sector entities that provide services to small businesses.**

26 (2) The grants made under subsection (1) of this section are to be used by the grant recipient  
27 to provide funds for:

28 (a) Small business development center staff and support staff;

29 (b) Expert resource persons from the business community;

30 (c) Other training and business resources in skill areas for which, or areas of the state where,  
31 the grant recipient can demonstrate it does not otherwise have the capacity or expertise to provide  
32 the resources; and

33 (d) Other costs related to providing training, counseling and business resources to small busi-  
34 ness clients.

35 (3) To be eligible for a grant under subsection (1) of this section, the recipient shall be required  
36 to provide funds, in-kind contributions or some combination of funds and contributions, in accord-  
37 ance with rules adopted by the Economic and Community Development Department.

38 (4) Subject to the approval of the department, a grant recipient may subcontract funds received  
39 under this section to any other entity that is eligible to receive funding under this section.

40 **(5) A small business development center shall submit a report to the department after**  
41 **the distribution of grant funds. The report shall state whether the plan and related budget**  
42 **have met the applicable criteria for the grant period.**

43 **(6) As used in this section, "state university" means a state institution of higher educa-**  
44 **tion listed in ORS 352.002.**

45 **SECTION 20.** ORS 285B.174 is amended to read:

1 285B.174. In cooperation with other state [*and public*] agencies **and private organizations**, state  
 2 universities as defined in ORS [285B.166] **285B.168** and community colleges may develop programs  
 3 to assist Oregon businesses with the procurement of government contracts and grants. Small busi-  
 4 ness development centers established under ORS 285B.165 to 285B.171 may assist with these pro-  
 5 grams.

6 **SECTION 21.** ORS 285B.178 is amended to read:

7 285B.178. As used in ORS 285B.178 to 285B.183:

8 (1) "Local microenterprise support organization" means a community development corporation,  
 9 a nonprofit development organization, a nonprofit social services organization or another locally  
 10 operated nonprofit entity that provides services to disadvantaged entrepreneurs.

11 (2) "Low income" means income adjusted for family size that does not exceed:

12 (a) For metropolitan areas, 80 percent of median income; or

13 (b) For nonmetropolitan areas, the greater of 80 percent of the area median income or 80 per-  
 14 cent of the statewide nonmetropolitan area median income.

15 (3) "Microenterprise" has the meaning given that term under 15 U.S.C. 6901, as amended and in  
 16 effect on June 18, 2001.

17 (4) "Microentrepreneur" means an individual conducting a microenterprise.

18 (5) "Microlending" means the practice of lending moneys to microenterprises or microentrepre-  
 19 neurs.

20 (6) "Statewide microenterprise support organization" means a community development corpo-  
 21 ration, a nonprofit development organization, a nonprofit social services organization or another  
 22 nonprofit entity that serves as an intermediary between the Economic and Community Development  
 23 Department and local microenterprise support organizations.

24 (7) "Training and technical assistance" means services and support offered to microenterprises  
 25 and microentrepreneurs. "Training and technical assistance" includes, but is not limited to, services  
 26 to enhance business development, **asset building, business** planning, marketing, management skills  
 27 and access to financial services.

28 (8) "Very low income" means income adjusted for family size that does not exceed 150 percent  
 29 of the poverty level determined under 42 U.S.C. 9902, as amended and in effect on June 18, 2001.

30 **SECTION 22.** ORS 285B.179 is amended to read:

31 285B.179. [(1) *The Legislative Assembly finds that:*]

32 [(a) *There is a need to develop and expand businesses in economically distressed communities in*  
 33 *both rural and urban areas;*]

34 [(b) *There is a need to assist Oregonians who are unemployed, underemployed or in low income*  
 35 *jobs;*]

36 [(c) *Microenterprises can provide a means for unemployed, underemployed or low income individ-*  
 37 *uals to find and sustain productive work;*]

38 [(d) *Microenterprises, including self-employment, can enable people with disabilities to use their*  
 39 *management skills to create and provide products and services, to acquire new skills in money man-*  
 40 *agement and business development and to develop pride and self-esteem;*]

41 [(e) *Microenterprises can provide opportunities for economically distressed communities to thrive,*  
 42 *one microentrepreneur at a time;*]

43 [(f) *Microenterprises, including self-employment and start-up businesses, are important elements of*  
 44 *the Oregon economy and play a vital role in job creation;*]

45 [(g) *There is a lack of access to capital and training and technical assistance for low income and*



1 *very low income microentrepreneurs;]*

2 *[(h) Many low income and very low income microentrepreneurs need microlending services and*  
 3 *training and technical assistance to start, operate or expand their businesses;]*

4 *[(i) Local microenterprise support organizations have demonstrated cost-effective delivery methods*  
 5 *for providing microlending services and training and technical assistance; and]*

6 *[(j) Local and state charitable foundation support, federal program funding and private sector*  
 7 *support can be leveraged by a statewide program for development of microenterprises.]*

8 [(2)] The purposes of ORS 285B.178 to 285B.183 are to:

9 [(a)] (1) Ensure that microenterprises in Oregon are able to realize their full potential to create  
 10 jobs, enhance entrepreneurial skills, expand entrepreneurial activity and increase the capacity of  
 11 low income and very low income households to become self-sufficient;

12 [(b)] (2) Enhance the development of a statewide infrastructure for microenterprise support; and

13 [(c)] (3) Enable the Economic and Community Development Department to engage in contractual  
 14 relationships with statewide microenterprise support organizations that have the capacity to ad-  
 15 minister grants to local microenterprise support organizations, subject to ORS 285B.178 to 285B.183,  
 16 and to leverage additional funds from sources other than moneys appropriated from the General  
 17 Fund.

18  
 19 **COMMUNITY INVESTMENT FUND**

20  
 21 **SECTION 23. Sections 24 to 35 of this 2007 Act are added to and made a part of ORS**  
 22 **chapter 285B.**

23 **SECTION 24. (1) The Legislative Assembly finds that:**

24 **(a) The improvement, expansion and new construction of the state’s infrastructure, in-**  
 25 **cluding but not limited to water and sewage systems, telecommunications systems, industrial**  
 26 **and commercial lands, roads and transportation infrastructure, provides the basic frame-**  
 27 **work for continuing and expanding economic development in this state, thereby providing**  
 28 **jobs and economic opportunity for the people of Oregon.**

29 **(b) The ports of this state are directly and actively involved in creating and carrying out**  
 30 **the economic development objectives and programs of the state.**

31 **(c) It is essential to maintain usable and developable industrial and commercial lands in**  
 32 **Oregon.**

33 **(d) The revitalization of contaminated sites is needed to meet economic, environmental**  
 34 **and social demands and contribute to the sustainability of the human and natural environ-**  
 35 **ment by improving environmental quality and sustaining ecosystem integrity.**

36 **(e) Community development projects are critical components of comprehensive local**  
 37 **economic development strategies, particularly for rural communities.**

38 **(2) Because municipalities, particularly rural and distressed municipalities, in this state**  
 39 **often suffer from a lack of available financing and technical capacity for these projects, it**  
 40 **is the primary purpose of the Community Investment Fund to provide financial or other as-**  
 41 **sistance to enable municipalities to plan, construct and improve those facilities that are es-**  
 42 **sential for supporting continuing and expanded economic activity and community**  
 43 **development activities. It is the intent of the Legislative Assembly, by providing that as-**  
 44 **sistance, to stimulate industrial growth and commercial enterprise and to promote employ-**  
 45 **ment opportunities while protecting human growth and the environment in Oregon.**

1 (3) Because the majority of Oregon's ports have limited resources to handle multiple  
 2 state and federal programs, ports need assistance to be competitive in national and interna-  
 3 tional markets and to continue to contribute effectively to economic development efforts.  
 4 Port facilities are integral elements of the transportation infrastructure of this state. The  
 5 Economic and Community Development Department shall work:

6 (a) To promote local cooperation in statewide planning and development of the ports;

7 (b) To promote the long term self-sufficiency of the ports;

8 (c) To encourage cost-effective investments with prudent financial consideration of port  
 9 development projects; and

10 (d) To assist ports in their efforts to expand and respond to greater domestic and inter-  
 11 national market opportunities.

12 (4) Because owners and developers of contaminated properties continue to face the  
 13 challenge of expensive environmental assessment and cleanup costs while banks and other  
 14 traditional financing sources remain reluctant to finance these costs, the department shall  
 15 provide financial and other assistance necessary to facilitate redevelopment and productive  
 16 reuse of brownfield properties.

17 (5) Because private landowners incur costs associated with state and federal regulations  
 18 that affect their ability to develop property to stimulate industrial growth and commercial  
 19 enterprise and to promote employment opportunities, it is the purpose of sections 25 to 35  
 20 of this 2007 Act to provide financial and other assistance to nonmunicipal applicants to assist  
 21 with the development of industrially or commercially zoned property.

22 (6) Moneys in the Community Investment Fund shall be used primarily to provide loans  
 23 for projects. The department shall establish by rule the circumstances under which a grant  
 24 or loan or another form of financial assistance will be awarded to an eligible applicant. The  
 25 department is authorized to determine the level and form of financial assistance, if any, on  
 26 an individual case basis.

27 **SECTION 25.** As used in sections 25 to 35 of this 2007 Act, unless the context requires  
 28 otherwise:

29 (1) "Applicant" means a municipal or nonmunicipal entity that submits a funding request  
 30 to the Economic and Community Development Department for a project.

31 (2) "Brownfield" or "brownfields" means real property where expansion or redevelopment  
 32 is complicated by actual or perceived environmental contamination.

33 (3) "Municipal development project" means a municipal project resulting in a con-  
 34 struction project.

35 (4) "Municipality" means an Oregon city or county, a port, a county service district or-  
 36 ganized under ORS chapter 451, a district as defined in ORS 198.010, a tribal council of a  
 37 federally recognized Indian tribe in this state or an airport district organized under ORS  
 38 chapter 838.

39 (5) "Municipal project" means a project for the acquisition, improvement, construction,  
 40 demolition or redevelopment of utilities owned by municipalities, in particular water and  
 41 wastewater systems and components buildings, land, transportation facilities or other facili-  
 42 ties that assist the economic and community development of the municipality or planning  
 43 project activities that the department determines are necessary or useful. A municipal  
 44 project must be owned and operated by the municipality or operated under a management  
 45 contract or under an operating agreement with the municipality.

1 (6) “Nonmunicipal applicant” means any person, combination of persons or legally incor-  
2 porated nonprofit or for-profit organization applying for an eligible nonmunicipal project.

3 (7) “Port” means any port formed pursuant to ORS 777.005 to 777.725 and 777.915 to  
4 777.953 and the Port of Portland formed pursuant to ORS chapter 778.

5 (8) “Port project” means a project sponsored by a port and authorized under ORS 777.105  
6 to 777.258, including engineering, acquisition, improvement, rehabilitation, construction,  
7 preproject-to-project planning necessary to carry out the project and including ports plan-  
8 ning and marketing projects for planning and marketing project activities necessary for im-  
9 proving a port’s capability to carry out its authorized functions and activities relating to  
10 economic development, transportation, trade and commerce.

11 (9) “Project” means a municipal or nonmunicipal project.

12 (10) “Rural community” has the meaning given that term in ORS 285A.010.

13 (11) “Safe drinking water project” means a project for constructing or improving a  
14 drinking water system or a water development project, as defined in ORS 541.700 (6)(a), (b)  
15 and (d) to (f), that is owned and operated by a municipality.

16 (12) “Wastewater system improvement project” means a project for constructing or im-  
17 proving a system for wastewater collection or treatment, including storm drainage systems.

18 (13) “Water project” means a safe drinking water project or a wastewater system im-  
19 provement project.

20 **SECTION 26.** (1) There is created within the State Treasury the Community Investment  
21 Fund, separate and distinct from the General Fund. All moneys credited to the Community  
22 Investment Fund are appropriated continuously to the Economic and Community Develop-  
23 ment Department.

24 (2) The fund shall consist of all moneys credited to the fund, including:

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

26 (b) Earnings on the fund;

27 (c) Repayment of financial assistance, including interest;

28 (d) Moneys received from other state agencies or local governments;

29 (e) Bond proceeds as authorized by sections 24 to 29 of this 2007 Act or other law; and

30 (f) Moneys from any other source that enhance program development by increasing the  
31 availability of funding sources, including but not limited to grants and gifts.

32 (3) Moneys in the Community Investment Fund, with the approval of the State Treas-  
33 urer, may be invested as provided in ORS 293.701 to 293.820 and the earnings from the in-  
34 vestments shall be credited to the accounts in the Community Investment Fund designated  
35 by the department.

36 (4) The department may establish other accounts within the Community Investment  
37 Fund for the payment of project costs, reserves, debt service payments, credit enhancement,  
38 administrative costs and operation expenses or any other purpose necessary to carry out the  
39 purposes in section 24 of this 2007 Act.

40 (5) The department shall administer the Community Investment Fund.

41 **SECTION 27.** (1) The Economic and Community Development Department shall establish  
42 by rule standards and maximum amounts for the awarding of grants and loans from the  
43 Community Investment Fund. The moneys in the fund shall be used primarily to provide  
44 loans to eligible applicants for projects as defined in section 25 of this 2007 Act. The depart-  
45 ment may determine the level of grant or loan funding, if any, on an individual case basis.

1 The department shall by rule adopt standards for awarding grants from the fund. The stan-  
 2 dards may include the award of grants as a financial incentive to accomplish the goals of the  
 3 fund, to address special circumstances of an eligible project or to address the financial need  
 4 of an applicant.

5 (2) The department may, directly or indirectly, grant, expend or loan moneys or extend  
 6 credit to:

7 (a) Provide any form of financial or other assistance to municipalities with a project in-  
 8 cluding the refinancing of temporary project financing.

9 (b) Purchase goods or services related to a project on behalf of the municipality.

10 (c) Provide state funds as a match for federal funds.

11 (d) Finance administrative costs of the department pursuant to section 28 of this 2007  
 12 Act.

13 (e) Provide annual grants on behalf of a municipality in the form of partial repayment  
 14 to bondholders of amounts owed.

15 (f) Purchase or buy out superior or prior liens or mortgages on, or a security interest  
 16 in, any nonmunicipal brownfields project financed in whole or in part by a loan from the  
 17 fund, when the department determines:

18 (A) That a loan from the fund is in default and is in liquidation or at risk of being forced  
 19 into liquidation by another creditor to the project;

20 (B) That action is necessary to maintain or enhance the value of the department's  
 21 collateral in the project; and

22 (C) That the amount of the purchase or buyout of superior or prior liens or mortgages  
 23 does not exceed \$1 million.

24 (g) Cover contracts that are issued to guaranty any portion of the obligation of a  
 25 municipality to finance a development project and that are not sold to the state. Guaranty  
 26 contracts under this paragraph shall be payable solely from moneys in the fund and may not  
 27 constitute a debt or obligation of the state. The department may, on behalf of the state, es-  
 28 tablish a special account in the fund and commit to deposit into the account specified  
 29 portions of existing and future allocations to the fund. The department shall make the  
 30 commitment by rule. The commitments constitute covenants of the state for the benefit of  
 31 the owners of obligations guaranteed by the state pursuant to this section.

32 (h) Finance brownfields projects by eligible applicants.

33 (3) Notwithstanding the provisions in subsection (2) of this section, the department may  
 34 expend or loan moneys to improve the economic viability of the community by nonmunicipal  
 35 applicants for the following project types:

36 (a) Planning and technical assistance activities necessary to improve industrially and  
 37 commercially zoned sites.

38 (b) Environmental mitigation activities, including but not limited to wetland, riparian and  
 39 habitat mitigation conducted to comply with environmental laws.

40 **SECTION 28.** (1) The Economic and Community Development Department may provide  
 41 financial or other assistance to an eligible applicant for projects that qualify for assistance  
 42 as follows:

43 (a) If the project is a municipal planning project that consists of:

44 (A) The purchase or acquisition of land by the municipality and no other activity, the  
 45 land must be identified in the applicable land use or capital plan as necessary for a potential

1 development project or be zoned solely for commercial or industrial use.

2 (B) A privately owned railroad, the railroad must be designated by the owner and opera-  
3 tor as subject to abandonment within three years, pursuant to federal law governing aban-  
4 donment of common carrier railroad lines.

5 (C) A telecommunications system, the governing body of the municipality shall adopt a  
6 resolution, after a public hearing, finding that the proposed telecommunications project is  
7 necessary and would not otherwise be provided by a for-profit entity within a reasonable time  
8 and for a reasonable cost.

9 (b) If the project is a regional water or wastewater system planning project, the plan  
10 must examine methods by which the region improves efficiencies and conservation to the  
11 benefit of the region's economic and community development and the plan must be approved  
12 by the applicable regulatory agencies.

13 (c) If the project is an energy system, the municipality and the serving utility must ex-  
14 ecute an ownership and operating agreement for the proposed energy system. This sub-  
15 section does not apply when the energy system will be located within the recognized service  
16 territory of the municipality.

17 (d) If the project is a privately owned industrial lands project as defined by the depart-  
18 ment by rule:

19 (A) The lands must be for sale or lease;

20 (B) The municipality must agree that development of the property provides substantial  
21 economic benefit to the community; and

22 (C) The municipality and the property owner must agree that the property will remain  
23 industrially zoned for a minimum of five years after completion of the project.

24 (e) If the project is for environmental remediation associated with development of in-  
25 dustrial lands as defined by the department by rule, activities must be coordinated with the  
26 appropriate regulatory agencies and must satisfy all state and federal regulatory require-  
27 ments.

28 (f) If the project is a brownfields project, the project must be for the completion of an  
29 environmental action and provide substantial public benefit. The department shall assist  
30 municipal and nonmunicipal applicants to redevelop brownfields and shall develop procedures  
31 to ensure that projects receiving loans or grants under this subsection are coordinated with  
32 all applicable regulatory agencies.

33 (g) If the project is a community assistance project, the community assistance project  
34 must be a community development activity that is project development or capacity building  
35 or that can demonstrate through an investment that will advance a recognized economic  
36 development strategy through direct technical assistance. The investment must take place  
37 in and primarily benefit a rural community.

38 (h) If a project is sponsored by a port, the project may qualify for funding from the fund  
39 for ports projects or for municipalities generally. Eligible projects include planning and  
40 marketing assistance to improve a port's capability to carry out authorized port functions  
41 and activities relating to economic development, transportation, trade or commerce. The  
42 department shall give priority to regional or cooperative projects, to projects that leverage  
43 other marketing efforts by the state or local government units and to the development of  
44 strategic business, marketing or financial plans for ports or updates to plans that are re-  
45 quired to keep the plans current for five years. Ports are required to develop and adopt

1 strategic business plans acceptable to the department as a condition for obtaining state  
2 funding assistance through the department. The department shall establish a date for ports  
3 to obtain state funding assistance. The department may not fund any program that subsi-  
4 dizes regular port operating expenses.

5 (i) If a project is for technical assistance to a new municipality or for a significant ex-  
6 pansion of an existing municipality to address economic development, the fund may be used  
7 for analysis of eligible infrastructure development needs as defined by the department by rule  
8 and for land requirements for industrial development.

9 (j) If the project is a water or wastewater project, the project must be for construction  
10 or improvement of a drinking water system, a wastewater system, a storm water system or  
11 a water development project that is owned and operated by a municipality.

12 (2) The department may not use funds to provide assistance for:

13 (a) Projects that primarily focus on relocating business or economic activity from one  
14 part of the state to another, except in cases where the business or economic activity would  
15 otherwise be located outside of the state; or

16 (b) Ongoing operations or maintenance expenses.

17 SECTION 29. (1) The Economic and Community Development Department shall adopt  
18 rules and policies for the administration of the Community Investment Fund. All forms of  
19 assistance are subject to the rules and policies of the department.

20 (2) The department shall allocate moneys in the fund for the following types of projects  
21 that also meet the qualifications of section 28 of this 2007 Act:

22 (a) Water and wastewater projects;

23 (b) Infrastructure projects;

24 (c) Matching funds for federal projects;

25 (d) Private industrial land development projects;

26 (e) Ports projects;

27 (f) Brownfields redevelopment projects;

28 (g) Community facilities projects;

29 (h) Community assistance projects; and

30 (i) Other projects.

31 (3)(a) The Oregon Economic and Community Development Commission, through public  
32 process, at least once each biennium, shall establish by rule a targeted percentage of the  
33 unencumbered fund balance for awards for specific project types or eligible applicants.

34 (b) The department shall establish a minimum percentage of the awards for water and  
35 wastewater projects, ports projects and ports planning and marketing projects.

36 (c) The department shall establish a minimum percentage of awards for grants to rural  
37 and distressed communities.

38 (d) The department shall establish a minimum percentage of awards for use by nonmu-  
39 nicipal applicants.

40 (4) The department shall manage the fund and any expenditures from the fund's accounts  
41 and transfers between the fund's accounts so that the fund provides a continuing source of  
42 financing for projects consistent with section 28 of this 2007 Act. The department shall es-  
43 tablish a maximum percentage available for grants.

44 (5) The department may commit moneys in the fund or reserve future income to the fund  
45 for disbursement in future years under this section. The department may commit or reserve

1 moneys only after:

2 (a) Allowing for contingencies;

3 (b) Finding that there will be sufficient unobligated net income to the fund to make fu-  
4 ture payments, consistent with the financial requirements of subsections (3) and (4) of this  
5 section; and

6 (c) Providing in any contract for the commitment that the liability of the state to make  
7 annual payments is contingent upon the availability of moneys in the fund.

8 (6) In assisting with projects, the department shall cooperate to the maximum extent  
9 possible with other state and federal agencies.

10 (7) An eligible applicant may apply for financial or other assistance from the fund by  
11 submitting a completed application and related information as required by the department  
12 by rule. The application shall be filed, reviewed and approved or rejected in accordance with  
13 rules adopted by the department.

14 (8)(a) If the department approves assistance from the fund for a project, the department,  
15 on behalf of the state, and the eligible applicant may enter into a contract to implement the  
16 assistance. The contract shall include:

17 (A) A provision that the liability of the state under the contract is contingent upon the  
18 availability of moneys in the fund for use in the project;

19 (B) If any portion of the assistance is in the form of a loan or the purchase of a bond  
20 of a municipality, a provision granting the department a lien on or a security interest in the  
21 collateral as determined by the department to be necessary to secure repayment of the loan  
22 or bond; and

23 (C) Other provisions as the department considers necessary or appropriate to implement  
24 the assistance.

25 (b) When the department approves financial assistance under sections 25 to 35 of this  
26 2007 Act for a project, the department shall pay moneys for the project from the fund in  
27 accordance with the terms of the contract.

28 (c) Notwithstanding any other provision of law or any restriction on indebtedness con-  
29 tained in a charter, a municipality may borrow from the fund by entering into a contract  
30 with the department. The contract may be repaid from:

31 (A) The revenues of the project, including special assessment revenues;

32 (B) Amounts withheld under subsection (9) of this section;

33 (C) The general fund of the municipality; or

34 (D) Any other source.

35 (d) A contract authorized under paragraph (c) of this subsection shall be authorized by  
36 an ordinance, order or resolution adopted by the governing body of the municipality.

37 (e) The loan term may not exceed the usable life of the project or 25 years from the year  
38 of project completion, whichever is less.

39 (f) Except as otherwise limited by this section, not more than 100 percent of the total  
40 cost of a project, including capitalized interest, may be financed from the fund.

41 (9)(a) If a recipient fails to comply with a contract entered into under sections 25 to 35  
42 of this 2007 Act, the department may seek appropriate legal remedies to secure any repay-  
43 ment due to the fund. If any recipient defaults on payments due to the fund under sections  
44 25 to 35 of this 2007 Act, the state may withhold any amounts otherwise due to the recipient  
45 to apply to the indebtedness. The department may waive the right to withhold.

1 (b) Moneys withheld under paragraph (a) of this subsection shall be deposited in the fund  
 2 and shall be used to repay any account in the fund from which funds were expended to pay  
 3 obligations upon which the recipient defaulted.

4 **SECTION 30.** (1) The Economic and Community Development Department shall by rule  
 5 adopt standards to determine eligibility for revenue bond financing under sections 30 to 34  
 6 of this 2007 Act of development projects that have qualified under sections 25 to 35 of this  
 7 2007 Act.

8 (2) Upon determining that a development project is eligible for revenue bond financing  
 9 under sections 30 to 34 of this 2007 Act, the department shall forward a request for the is-  
 10 suance of revenue bonds to the State Treasurer, who shall determine whether to issue re-  
 11 venue bonds.

12 (3) When a project is determined to be eligible for revenue bond financing under sections  
 13 30 to 34 of this 2007 Act, bond proceeds may be used to pay allowable costs including:

14 (a) Financing costs, including capitalized interest;

15 (b) Direct project management costs;

16 (c) Costs of consultant services and expenses;

17 (d) Construction costs and expenses;

18 (e) Costs of property acquisition, including any easement or right of way directly related  
 19 to and necessary for the project;

20 (f) Costs of acquiring off-site property for purposes directly related to the project, such  
 21 as wetland mitigation; and

22 (g) Other costs that the department determines to be necessary or useful.

23 (4) Administrative expenses of the department in processing applications and investigat-  
 24 ing proposed projects and bond sales may not be derived from bond proceeds.

25 (5) The department may pledge all or any portion of the existing or future assets and  
 26 receipts of the Community Development Fund to pay debt service on bonds issued pursuant  
 27 to sections 30 to 35 of this 2007 Act. The pledge shall take effect immediately, without de-  
 28 livery of the pledged funds to third parties, and the lien of the pledge shall be superior to all  
 29 other liens of any nature.

30 (6) The department is authorized to establish separate accounts within the fund for sep-  
 31 arate bond issues.

32 **SECTION 31.** In addition to any other powers granted by law in relation to a development  
 33 project, the Economic and Community Development Department, acting through the State  
 34 Treasurer or designee may:

35 (1) Make all contracts, execute all instruments and do all things necessary or convenient  
 36 in the exercise of the powers granted by this section, or in the performance of its covenants  
 37 or duties, or in order to secure the payment of its bonds;

38 (2) Enter into and perform contracts and agreements with municipalities as the depart-  
 39 ment may consider proper and feasible for, or concerning the planning, construction, instal-  
 40 lation, lease or other acquisition and the financing of, projects; and

41 (3) Enter into covenants for the benefit of bond owners regarding the use and expendi-  
 42 ture of moneys in the Community Investment Fund.

43 **SECTION 32.** If the State Treasurer determines that revenue bonds should be issued:

44 (1) The State Treasurer may authorize and issue in the name of the State of Oregon re-  
 45 venue bonds secured by moneys paid to the Community Investment Fund pledged therefor



1 to finance or refinance in whole or part the cost of acquisition, construction, reconstruction,  
2 improvement or extension of development projects. The bonds shall be issued in the manner  
3 prescribed by ORS chapter 286, and refunding bonds may be issued to refinance the revenue  
4 bonds.

5 (2) The State Treasurer shall designate the underwriter and enter into appropriate  
6 agreements with the underwriter to carry out the provisions of sections 26 to 30 of this 2007  
7 Act. The Economic and Community Development Department, with the approval of the State  
8 Treasurer, shall designate the trustee and enter into appropriate agreements with the trustee  
9 to carry out the provisions of sections 26 to 30 of this 2007 Act. The department may  
10 appoint bond counsel as authorized by ORS 288.523, or the State Treasurer may enter into  
11 an agreement with bond counsel if the services provided under the agreement comply with  
12 the provisions of ORS 288.523 and the appointment is approved by the Attorney General as  
13 required by ORS 288.523. The department may not make an appointment or enter into an  
14 agreement under this subsection unless the State Treasurer has reviewed and approved the  
15 terms and conditions of the appointment or agreement. ORS 279A.140 does not apply to any  
16 appointment or agreement described in this subsection.

17 SECTION 33. (1) ORS 285B.350 to 285B.362 and 285B.368 apply to revenue bonds issued  
18 under sections 30 to 34 of this 2007 Act.

19 (2) The proceeds of revenue bonds issued and sold under sections 30 to 34 of this 2007  
20 Act shall be deposited in the Community Investment Fund and used for the payment of a  
21 loan to a municipality for a development project and costs of issuing the revenue bonds.

22 (3) A loan made with money derived from the sale of revenue bonds under this section  
23 shall be made as other loans under sections 30 to 34 of this 2007 Act are made, except that  
24 the loan contract shall set forth a schedule of payments that may not exceed the usable life  
25 of the contracted project.

26 SECTION 34. (1) Revenue bonds issued under sections 30 to 34 of this 2007 Act:

27 (a) Shall not be payable from nor charged upon any funds other than the revenue pledged  
28 to the payment thereof, except as provided in this section, nor shall the state be subject to  
29 any liability thereon. No holder or holders of such bonds shall ever have the right to compel  
30 any exercise of the taxing power of the state to pay any such bonds or the interest thereon,  
31 nor to enforce payment thereof against any property of the state except those moneys  
32 pledged therefor in the Community Investment Fund, under the provisions of sections 25 to  
33 30 of this 2007 Act.

34 (b) Shall not constitute a charge, lien or encumbrance, legal or equitable, upon any  
35 property of the state, except those moneys paid to the Special Public Works Fund.

36 (2) A bond shall not constitute a debt of the state or a lending of the credit of the state  
37 within the meaning of any constitutional or statutory limitation.

38 SECTION 35. (1) Notwithstanding any other law relating to revenue bonds issued and sold  
39 under sections 30 to 34 of this 2007 Act, revenue bonds may be issued and sold as parity  
40 bonds.

41 (2) Proceeds of revenue bonds issued and sold under sections 30 to 34 of this 2007 Act or  
42 ORS 285B.572, 285B.575 and 285B.578, together with the investment earnings thereon, may  
43 be consolidated into one or more funds or accounts and may be pledged to the holders of  
44 revenue bonds issued to finance water projects or development projects.

45 (3) Any loan to a municipality made pursuant to sections 25 to 35 of this 2007 Act, in-

1 cluding loans funded in whole or in part with the proceeds of revenue bonds and loans funded  
 2 with moneys in the Community Development Fund, may be pledged to the holders of revenue  
 3 bonds issued to finance water projects or development projects.

4 (4) Funds or accounts established by the Economic and Community Development De-  
 5 partment or the State Treasurer in connection with the issuance of revenue bonds under  
 6 sections 30 to 34 of this 2007 Act and moneys held in the funds and accounts, together with  
 7 the investment earnings thereon, may be consolidated into one or more funds or accounts  
 8 and may be pledged to the holders of revenue bonds issued to finance water projects or de-  
 9 velopment projects.

10 **SECTION 36.** On the effective date of this 2007 Act, the unexpended balances of amounts  
 11 in the Brownfields Redevelopment Fund created by ORS 285A.188, the Oregon Port Revolving  
 12 Fund created by ORS 285A.708, the Rural Investment Fund created by ORS 285B.254, the  
 13 Special Public Works Fund created by ORS 285B.455, the Water Fund created by ORS  
 14 285B.563 and the Port Planning and Marketing Fund created by ORS 285A.709 are transferred  
 15 to the Community Investment Fund or accounts, if any, within the Community Investment  
 16 Fund as designated by the Director of the Economic and Community Development Depart-  
 17 ment.

18 **SECTION 37.** (1) On and after the effective date of this 2007 Act, all repayments of fi-  
 19 nancial assistance provided from the Brownfields Redevelopment Fund, the Oregon Port Re-  
 20 volving Fund, the Rural Investment Fund, the Special Public Works Fund, the Water Fund  
 21 or the Port Planning and Marketing Fund shall be credited to the Community Investment  
 22 Fund, or to accounts, if any, within the Community Investment Fund, as designated by the  
 23 Director of the Economic and Community Development Department.

24 (2) Nothing in sections 25 to 35 of this 2007 Act relieves a person of a liability, duty or  
 25 obligation accruing under the Brownfields Redevelopment Fund, the Oregon Port Revolving  
 26 Fund, the Rural Investment Fund, the Special Public Works Fund, the Water Fund or the  
 27 Port Planning and Marketing Fund. The Economic and Community Development Department  
 28 may undertake the collection or enforcement of the liability, duty or obligation.

29 (3) The rights and obligations of the department legally incurred under contracts, leases  
 30 and business transactions executed, entered into or begun before the operative date of this  
 31 2007 Act and accruing under or with respect to the duties, functions and powers exercised  
 32 under authority of the Brownfields Redevelopment Fund, the Oregon Port Revolving Fund,  
 33 the Rural Investment Fund, the Special Public Works Fund, the Water Fund or the Port  
 34 Planning and Marketing Fund continue in the department on and after the operative date  
 35 of this 2007 Act.

36 **SECTION 38.** Sections 36 and 37 of this 2007 Act are repealed on June 30, 2009.

### 38 BUSINESS DEVELOPMENT PROJECTS

40 **SECTION 39.** ORS 285B.050 is amended to read:

41 285B.050. As used in ORS 285B.050 to 285B.098, unless the context requires otherwise:

42 (1) **“Applicant” means any county, municipality, person or any combination of counties,**  
 43 **municipalities or persons applying for a loan from the Oregon Business Development Fund**  
 44 **under ORS 285B.050 to 285B.098.**

45 [(1)] (2) **“Business development project” means the acquisition, engineering, improvement, reha-**

1 bilitation, construction, operation or maintenance of any property, real or personal, that is used or  
 2 is suitable for use by an economic enterprise and that will result in, or will aid, promote or facili-  
 3 tate, development of one or more of the following activities:

- 4 (a) Manufacturing or other industrial production;
- 5 (b) Agricultural development or food processing;
- 6 (c) Aquacultural development or seafood processing;
- 7 (d) Development or improved utilization of natural resources;
- 8 (e) Convention facilities and trade centers;
- 9 (f) Transportation or freight facilities; and
- 10 (g) Other activities that represent new technology or type of economic enterprise the Oregon

11 Economic and Community Development Commission determines is needed to diversify the economic  
 12 base of an area but not including:

- 13 (A) Construction of office buildings, including corporate headquarters; and
- 14 (B) Retail businesses, shopping centers or food service facilities.

15 **(3) “Collateral” has the meaning given that term in ORS 79.0102 for property subject to**  
 16 **a security interest.**

17 [(2)] **(4) “Commission”** means the Oregon Economic and Community Development Commission  
 18 established under ORS 285A.040.

19 **(5) “County” means any county or federally recognized Oregon Indian tribe.**

20 **(6) “Emerging small business” has the meaning given that term by ORS 200.005.**

21 [(3)] **(7) “Fund”** means the Oregon Business Development Fund.

22 [(4)] *“Collateral” has the meaning given that term in ORS 79.0102 for property subject to a security*  
 23 *interest.*

24 **(8) “Local development group” means any public or private corporation that has as one**  
 25 **of its primary purposes, as stated in its articles of incorporation, charter or bylaws, the**  
 26 **promotion of economic development in any part of the State of Oregon.**

27 [(5)] **(9) “Municipality”** means any city, municipal corporation or quasi-municipal corporation.

28 [(6)] **(10) “Person”** means any individual, association of individuals, joint venture, partnership  
 29 or corporation.

30 [(7)] *“Local development group” means any public or private corporation which has as one of its*  
 31 *primary purposes, as stated in its articles of incorporation, charter or bylaws, the promotion of eco-*  
 32 *nomical development in any part of the State of Oregon.]*

33 [(8)] *“Applicant” means any county, municipality, person or any combination of counties, munici-*  
 34 *pality or persons applying for a loan from the Oregon Business Development Fund under ORS*  
 35 *285B.050 to 285B.098.]*

36 [(9)] *“Owned and operated by women and minorities” means, with regard to any specific business*  
 37 *enterprise, the ownership or control of more than 50 percent of the units of proprietary or ownership*  
 38 *interest in that business enterprise by individuals who are women or minority individuals, as defined*  
 39 *by ORS 200.005.]*

40 [(10)] *“Emerging small business” has the meaning given that term by ORS 200.005.]*

41 [(11)] *“County” means any county or federally recognized Oregon Indian tribe.]*

42 **SECTION 40.** ORS 285B.053 is amended to read:

43 285B.053. (1) Any county, municipality, person or any combination of counties, municipalities  
 44 and persons may file with the Oregon Economic and Community Development Commission an ap-  
 45 plication to borrow money from the Oregon Business Development Fund for a business development

1 project as provided in ORS 285B.050 to 285B.098. The application shall be filed in such a manner  
2 and contain or be accompanied by such information as the commission may prescribe.

3 (2) Any applicant receiving a loan from the [*Oregon Business Development*] fund shall  
4 [*annually*] report to the Economic and Community Development Department the estimated number  
5 of jobs [*created as a result of*] **affected by** the business development project financed under ORS  
6 285B.050 to 285B.098. [*The reporting requirement under this section shall continue for five years fol-*  
7 *lowing the receipt of the loan proceeds or for the life of the loan, whichever period is longer. Agreement*  
8 *to comply with the requirements of this section shall be a condition for obtaining a loan from the*  
9 *Oregon Business Development Fund.*]

10 **SECTION 41.** ORS 285B.056 is amended to read:

11 285B.056. [(1) Upon receipt of an application under ORS 285B.053, the Oregon Economic and  
12 Community Development Commission shall determine whether the plans and specifications for the pro-  
13 posed business development project set forth in or accompanying the application are satisfactory. If the  
14 commission determines that the plans and specifications are not satisfactory, it shall:]

15 [(a) Reject the application with a written statement of the reason for that rejection; or]

16 [(b) Require the applicant to submit additional information of the plans and specifications as may  
17 be necessary.]

18 [(2) The commission shall charge and collect from the applicant, at the time the application is filed,  
19 a fee not to exceed \$100. Moneys referred to in this subsection shall be paid into the Oregon Business  
20 Development Fund.] **The Oregon Economic and Community Development Commission shall**  
21 **charge fees and establish rules to underwrite loans from the Oregon Business Development**  
22 **Fund.**

23 **SECTION 42.** ORS 285B.059 is amended to read:

24 285B.059. (1) The Oregon Economic and Community Development Commission may approve a  
25 business development project proposed in an application filed under ORS 285B.050 to 285B.098 if,  
26 after investigation, [*it*] **the commission** finds that:

27 (a) The proposed business development project is feasible and a reasonable risk from practical  
28 and economic standpoints, and the loan has reasonable prospect of repayment.

29 (b) **In the sole determination of the commission,** the applicant can provide good and suffi-  
30 cient collateral for the loan.

31 (c) Moneys in the Oregon Business Development Fund are or will be available for the proposed  
32 business development project.

33 (d) There is a need for the proposed business development project, and the applicant's financial  
34 resources are adequate to ensure success of the project.

35 (e) The applicant has not received or entered into a contract or contracts exceeding \$1 million  
36 with the commission, under authority of ORS 285B.050 to 285B.098, for the previous 365 days[, *nor*  
37 *is there an amount equal to 20 percent of the total value of the fund in outstanding loans with the*  
38 *commission at any one time for business development projects located in the same county as the pro-*  
39 *posed project. However, nothing in this paragraph prevents the commission from making a loan to an*  
40 *emerging small business, as provided in subsection (6) of this section, for a project in a distressed area*  
41 *or making a loan of less than \$100,000, as provided in ORS 285B.080].*

42 [(2) Preference shall be given to a business development project which has a high ratio of employ-  
43 ment to the amount of money sought to be borrowed from the Oregon Business Development Fund,  
44 which benefits businesses with fewer than 50 employees or which is located within a rural or distressed  
45 area of the state. Consideration also shall be given to the extent of participation by local development

1 *groups, and the availability and cost of money to the applicant from, or through, commercial lending*  
 2 *or financial institutions, or other financial sources, inasmuch as the Oregon Business Development*  
 3 *Fund is intended to complement, not supplant, other sources of money for economic development.]*

4 [(3)] (2) The total amount of moneys loaned from the fund for any business development project  
 5 shall not exceed 50 percent of the cost of the project. [*Working capital equity contributed by the ap-*  
 6 *plicant or a related party shall not be included in the calculation of total project costs.*]

7 [(4)] (3) Except [*in cases where*] **when** the applicant is a county or municipality **or when there**  
 8 **are payments other than the scheduled principal and interest payments**, no money shall be  
 9 loaned from the fund for any business development project unless there exists a commitment from  
 10 a commercial or private lender, or a local development group, to participate in the financing of the  
 11 project.

12 [(5)] (4) To encourage private sector and local development group participation in the financing  
 13 of business development projects, the commission may subordinate the security position of the fund  
 14 to that of other lenders.

15 [(6)] (5) In each fiscal year of a biennium, not less than 15 percent of all moneys available for  
 16 lending from the [*Oregon Business Development*] fund are reserved for loans to certified emerging  
 17 small business enterprises which are located in or draw their workforces from within distressed  
 18 areas as determined by the Economic and Community Development Department in cooperation with  
 19 the Employment Department of this state. Any amounts reserved for loans to such businesses that  
 20 are not loaned in one fiscal year shall be added to the amount reserved for loans to such businesses  
 21 in the subsequent fiscal year. If the Economic and Community Development Department is unable  
 22 to obtain a sufficient number of approvable applications to meet the requirements of this subsection,  
 23 it may, notwithstanding the limitations imposed by [*ORS 285B.050 (1)(g)(B)*] **ORS 285B.050**  
 24 **(2)(g)(B)**, make loans to service and retail businesses operated by certified emerging small business  
 25 enterprises.

26 [(7) *In the operation of the Oregon Business Development Fund, the commission and the depart-*  
 27 *ment shall, to the maximum extent feasible and consistent with constitutional limitations, seek to assure*  
 28 *that an amount equal to that specified in subsection (6) of this section be loaned to businesses owned*  
 29 *and operated by women and minorities.*]

30 **SECTION 43.** ORS 285B.062 is amended to read:

31 285B.062. If the Oregon Economic and Community Development Commission approves the busi-  
 32 ness development project, the commission, on behalf of the state, and the applicant may enter into  
 33 a loan contract of not more than \$1 million, secured by good and sufficient collateral, which shall  
 34 set forth, among other matters:

35 (1) A plan for repayment by the applicant to the Oregon Business Development Fund of moneys  
 36 borrowed from the fund used for the business development project with interest charged on those  
 37 moneys at the rate of not less than one percentage point more than the prevailing interest rate on  
 38 United States Treasury bills, notes or bonds of a comparable term, as determined by the commission.  
 39 The repayment plan, among other matters:

40 (a) Shall provide for commencement of repayment by the applicant of moneys used for the busi-  
 41 ness development project and interest thereon no later than one year after the date of the loan  
 42 contract or at such other time as the commission may provide.

43 (b) May provide for reasonable extension of the time for making any repayment in emergency  
 44 or hardship circumstances if approved by the commission.

45 (c) Shall provide for such evidence of debt assurance of, and security for, repayment by the ap-

1 plicant as is considered necessary by the commission.

2 (d) Shall set forth a schedule of payments and the period of loan which shall not exceed the  
3 usable life of the contracted project or 25 years from the date of the contract, whichever is less, and  
4 shall also set forth the manner of determining when loan payments are delinquent. The payment  
5 schedule shall include repayment of interest which accrues during any period of delay in repayment  
6 authorized by paragraph (a) of this subsection, and the payment schedule may require payments of  
7 varying amounts for collection of accrued interest.

8 (e) Shall set forth a procedure for formal declaration of default of payment by the commission,  
9 including formal notification of all relevant federal, state and local agencies; and further, a proce-  
10 dure for notification of all relevant federal, state and local agencies that declaration of default has  
11 been rescinded when appropriate.

12 *[(f) May offer a discount not to exceed 10 percent of the outstanding principal for the early repay-*  
13 *ment of the entire outstanding principal of any loan. The commission by rule shall adopt policies that*  
14 *provide for greater discounts for earlier repayments and that provide for greater discounts for firms*  
15 *that have created at least one job per each \$15,000 loaned to the firm from the Oregon Business De-*  
16 *velopment Fund.]*

17 **(f) Shall allow for other forms of payment than principal and interest payments on loans,**  
18 **to be outlined in administrative rules.**

19 (2) Provisions satisfactory to the commission for field engineering and inspection, the commis-  
20 sion to be the final judge of completion of the contract.

21 (3) That the liability of the state under the contract is contingent upon the availability of mon-  
22 eys in the [Oregon Business Development] fund for use in the business development project.

23 (4) Such further provisions as the commission considers necessary to insure expenditure of the  
24 funds for the purposes set forth in the approved application.

25 *[(5) That the commission may institute appropriate action or suit to prevent use of the facilities of*  
26 *a business development project financed by the Oregon Business Development Fund if the applicant is*  
27 *delinquent in the repayment of any moneys due the fund.]*

28 **SECTION 44.** ORS 285B.083 is amended to read:

29 285B.083. Except as provided in ORS 285B.086, if any business development project is refinanced  
30 or financial assistance is obtained from other sources after the execution of the loan from the state,  
31 those [*shall be first*] **may first be** used to repay the state, unless provided otherwise by the com-  
32 mittee, if the refinancing or financial assistance applies only to the business development project  
33 authorized and does not include any subsequent addition, expansion, improvement or further devel-  
34 opment.

35 **SECTION 45.** ORS 285B.092 is amended to read:

36 285B.092. (1) There is created within the State Treasury a revolving fund known as the Oregon  
37 Business Development Fund, separate and distinct from the General Fund. Interest earned by the  
38 fund shall be credited to the fund. Moneys in this fund are continuously appropriated to the Oregon  
39 Economic and Community Development Commission for the following purposes:

40 (a) Administrative expenses of the commission in marketing public business finance, processing  
41 applications, investigating proposed business development projects and servicing outstanding loans.  
42 In any one year, administrative expenses charged under this paragraph may not be greater than the  
43 total revenues received in that year from fees provided for in subsection (2)(a) of this section, plus  
44 four percent of the total asset value of the fund.

45 (b) Payment of loans to applicants under ORS 285B.050 to 285B.098.

1 (c) Purchase or buyout of superior or prior liens or mortgages on or a security interest in any  
 2 business development project financed in part by a loan from the fund, when the commission deter-  
 3 mines:

4 (A) A loan from the fund is in default and is in liquidation or at risk of being forced into liqui-  
 5 dation by another creditor to the project; **and**

6 (B) [*Such*] **The** action is necessary to maintain or enhance the value of the commission's  
 7 collateral in the project[; *and*]

8 [*(C) The amount of the purchase or buyout of superior or prior liens or mortgages on that project*  
 9 *does not exceed \$1 million.*]

10 (2) The fund created by subsection (1) of this section shall consist of:

11 (a) Fees required by ORS 285B.056 [(2)] and 285B.068 (2).

12 (b) Repayment of moneys loaned to counties, municipalities or persons from the [*Oregon Busi-*  
 13 *ness Development*] fund, including interest on those moneys.

14 (c) Payment of such moneys as may be appropriated to the fund by the Legislative Assembly.

15 (d) Moneys obtained from any interest accrued from funds.

16 (e) Moneys from any grant made to the fund by any federal agency.

17 (3) Notwithstanding any other law, if at any time there are insufficient funds in the Oregon  
 18 Entrepreneurial Development Loan Fund established by ORS 285B.758, the Director of the Economic  
 19 and Community Development Department may direct the transfer of unobligated funds from the  
 20 Oregon Business Development Fund to the Oregon Entrepreneurial Development Loan Fund.  
 21 Transfers under this subsection shall be in amounts necessary to meet the reasonably foreseeable  
 22 demand for participation in the entrepreneurial loan program.

23 **SECTION 46.** ORS 285B.093 is amended to read:

24 285B.093. (1) The Oregon Economic and Community Development Commission may establish the  
 25 Oregon Targeted Development Account as an account within the Oregon Business Development  
 26 Fund.

27 (2) [*If the account is established,*] The purpose of the Oregon Targeted Development Account is  
 28 to promote cooperation and foster partnership among the commission, the Economic and Community  
 29 Development Department and financial institutions in Oregon to encourage investment in distressed  
 30 areas, as defined by the department.

31 (3) The [*Economic and Community Development*] department may make loans from the Oregon  
 32 Targeted Development Account in distressed areas without regard to the minimum rate of interest  
 33 that is otherwise applicable under ORS 285B.062. The department may make loans in distressed  
 34 areas at an interest rate that is determined by the [*Oregon Economic and Community Development*]  
 35 commission.

36 [(4) *ORS 285B.059 (2) does not apply to business development projects financed wholly or in part*  
 37 *with moneys from the Oregon Targeted Development Account.*]

38 **SECTION 47. The Economic and Community Development Department shall develop rules**  
 39 **governing repayment of loans to the Oregon Business Development Fund and collection of**  
 40 **moneys owed the fund. The department may take any action permitted by statute or rule**  
 41 **that the department deems necessary for repayment of the loan.**

42  
 43 **CAPITAL ACCESS PROGRAM**

44  
 45 **SECTION 48.** ORS 285B.126 is amended to read:

1 285B.126. As used in ORS 285B.126 to 285B.147, unless the context requires otherwise:

2 (1) **“Brownfield” or “brownfields” has the meaning given that term in section 25 of this**  
3 **2007 Act.**

4 (2) **“Capital access program” means the program established by ORS 285B.126 to 285B.147.**

5 (3) **“Environmental action” means activity undertaken to:**

6 (a) **Determine whether a release, as defined in ORS 465.200, has occurred, whether the**  
7 **release poses a significant threat to human health or the environment or whether additional**  
8 **remedial actions may be required at the site;**

9 (b) **Conduct a feasibility study;**

10 (c) **Plan for remedial action or removal; or**

11 (d) **Conduct a remedial action or removal.**

12 (4) **“Financial institution” means a financial institution, as defined in ORS 706.008.**

13 [(2)] (5) **“Loss reserve account” means an account in the State Treasury or any financial insti-**  
14 **tution [which] that is established and maintained by the Economic and Community Development**  
15 **Department for the benefit of a financial institution participating in the capital access program [es-**  
16 **tablished under ORS 285B.126 to 285B.147].**

17 [(3)] (6) **“Qualified business” means any person, conducting business for profit or not for profit,**  
18 **that is authorized to conduct business in the State of Oregon.**

19 [(4)] (7) **“Qualified loan” means a loan or portion of a loan made by a financial institution to a**  
20 **qualified business for any business activity that has its primary economic effect in Oregon. The term**  
21 **does not include:**

22 (a) A loan for the **purchase of owner occupied residential housing or for the construction,**  
23 **improvement or purchase of residential housing owned by the borrower.**

24 (b) A loan for purchase of real property that is not used for the business operations of the bor-  
25 rower.

26 (c) A loan for the refinancing of an existing loan when and to the extent that the outstanding  
27 balance is not increased.

28 **SECTION 49.** ORS 285B.129 is amended to read:

29 285B.129. [(1) *The Legislative Assembly finds that:*]

30 [(a) *There is a persistent shortage of equity capital available to small businesses in Oregon.*]

31 [(b) *Small businesses make important contributions to economic growth and vitality in this state.*]

32 [(c) *Many financial institutions in Oregon are limited in their ability to provide financing to small*  
33 *but rapidly growing businesses.*]

34 [(2)] It is the purpose of ORS 285B.126 to 285B.147 to establish a capital access program under  
35 which the State of Oregon will provide public fiscal resources to assist Oregon financial institutions  
36 to overcome obstacles and constraints in meeting the full range of economically sound financing  
37 needs of Oregon businesses.

38 **SECTION 50.** ORS 285B.132 is amended to read:

39 285B.132. (1) The Economic and Community Development Department may contract with any  
40 financial institution for the purpose of allowing the financial institution to participate in the capital  
41 access program [*established by ORS 285B.126 to 285B.147*].

42 (2) A contract between the [*Economic and Community Development*] department and a financial  
43 institution under this section shall provide:

44 (a) For the creation of a loss reserve account by the department for the benefit of the financial  
45 institution.



1 (b) That the financial institution, qualified business and the department will deposit moneys to  
 2 the credit of the institution's loss reserve account when the financial institution makes a qualified  
 3 loan to a qualified business.

4 (c) That the department will pay moneys in the loss reserve account, not exceeding an amount  
 5 equal to the total amount credited to the loss reserve account, to the financial institution to reim-  
 6 burse the institution for any financial loss incurred as a result of any qualified loan made under the  
 7 capital access program established by ORS 285B.126 to 285B.147.

8 (d) That the liability of the State of Oregon and the [*Economic and Community Development*]  
 9 department to the financial institution under the contract is limited to the amount of money credited  
 10 to the loss reserve account of the institution.

11 (e) That the financial institution shall provide such information as the department may require,  
 12 including financial information that is identifiable with, or identifiable from, the financial records  
 13 of a particular customer who is the recipient of a qualified loan.

14 (f) For such other terms as the department may require.

15 (3) A financial institution is not subject to ORS 192.555 (1) when the financial institution pro-  
 16 vides information to the [*Economic and Community Development*] department as required by sub-  
 17 section (2)(e) of this section.

18 **SECTION 51.** ORS 285B.135 is amended to read:

19 285B.135. (1) The Economic and Community Development Department shall establish a loss re-  
 20 serve account for each financial institution with which the department makes a contract under ORS  
 21 285B.132.

22 (2) The loss reserve account for a financial institution shall consist of moneys paid as fees by  
 23 borrowers and the financial institution under ORS 285B.138 and moneys transferred to the account  
 24 from the Capital Access Fund under ORS 285B.138.

25 (3) Notwithstanding ORS chapter 293 or 295, the department may establish and maintain loss  
 26 reserve accounts with any financial institution under such policies as the department may adopt.  
 27 The department may deposit up to \$50,000 per financial institution in a loss reserve account to en-  
 28 courage a financial institution to participate in the capital access program. The total amount of such  
 29 deposits may not exceed \$250,000 per biennium. **The department may establish rules to encour-  
 30 age financial institutions to participate in the capital access program.**

31 (4) All moneys in a loss reserve account established under ORS 285B.126 to 285B.147 are the  
 32 property of the State of Oregon.

33 [*(5) The amounts transferred from the Capital Access Fund to a loss reserve account on behalf of  
 34 any single qualified business shall not exceed \$150,000.*]

35 **SECTION 52.** ORS 285B.138 is amended to read:

36 285B.138. (1) When a financial institution participates in the capital access program [*established*  
 37 *by ORS 285B.126 to 285B.147*], if the financial institution decides to enroll a qualified loan under the  
 38 capital access program in order to obtain the protection against loss provided by its loss reserve  
 39 account, the financial institution shall notify the Economic and Community Development Depart-  
 40 ment of the loan within 30 days after the loan is made. The notification shall be in writing on a form  
 41 prescribed by the department.

42 (2) When making a qualified loan that will be enrolled under the capital access program, the  
 43 financial institution shall require the qualified business to which the loan is made to pay a fee of  
 44 not less than one and one-half percent of the principal amount of the loan but not more than three  
 45 and one-half percent of such principal amount. The financial institution shall also pay a fee in an

1 amount equal to the fee paid by the borrower. The financial institution shall deliver the fees col-  
 2 lected under this subsection to the department for deposit in the loss reserve account for the insti-  
 3 tution.

4 (3) When depositing fees collected under subsection (2) of this section to the credit of the loss  
 5 reserve account for a financial institution, the department shall transfer an amount that is not less  
 6 than the total amount of the fees paid by the borrower and the financial institution from the Capital  
 7 Access Fund to the loss reserve account for the institution.

8 **SECTION 53.** ORS 285B.141 is amended to read:

9 285B.141. (1) The Economic and Community Development Department shall establish procedures  
 10 under which financial institutions participating in the capital access program [*established by ORS*  
 11 *285B.126 to 285B.147*] may submit claims for reimbursement for losses incurred as a result of quali-  
 12 fied loan defaults.

13 (2) Costs for which a financial institution may be reimbursed from its loss reserve account in-  
 14 clude loan principal, accrued interest on the principal, actual and necessary costs of seeking re-  
 15 covery of the principal amount and interest thereon and any other related costs.

16 (3) A financial institution may seek reimbursement of loan losses prior to the liquidation of  
 17 collateral from defaulted loans. The financial institution shall repay its loss reserve account for any  
 18 moneys received as reimbursement under this section if the financial institution recovers moneys  
 19 from the borrower or from the liquidation of collateral for the defaulted loan.

20 **SECTION 54.** ORS 285B.147 is amended to read:

21 285B.147. (1) There is established in the State Treasury, separate and distinct from the General  
 22 Fund, the Capital Access Fund. All moneys in the fund are continuously appropriated to the Eco-  
 23 nomic and Community Development Department for the purpose of making payments to loss reserve  
 24 accounts established under ORS 285B.126 to 285B.147.

25 (2) Moneys in the Capital Access Fund, with the approval of the State Treasurer, may be in-  
 26 vested as provided by ORS 293.701 to 293.820, and the earnings from such investment shall be  
 27 credited to the Capital Access Fund.

28 (3) The Capital Access Fund shall consist of:

29 (a) Moneys appropriated to the fund by the Legislative Assembly.

30 (b) Interest earned on moneys in the fund.

31 (c) Moneys returned to the fund from loss reserve accounts or other sources.

32 **(4) If the department deems retrieval of interest earned on loss reserve accounts appro-**  
 33 **priate, the department may transfer into the fund up to 50 percent of the interest earned**  
 34 **on moneys in loss reserve accounts.**

35 [(4)] (5) The [*Economic and Community Development*] department may charge administrative  
 36 costs to the fund to pay for actual and necessary administrative expenses incurred by the depart-  
 37 ment in administering the fund and establishing and maintaining loss reserve accounts under ORS  
 38 285B.126 to 285B.147.

39  
 40 **CREDIT ENHANCEMENT FUND**

41  
 42 **SECTION 55.** ORS 285B.200 is amended to read:

43 285B.200. As used in ORS 285B.200 to 285B.218:

44 (1) **“Brownfield” or “brownfields” has the meaning given that term in section 25 of this**  
 45 **2007 Act.**

1        [(1) “Department” means the Economic and Community Development Department.]

2        (2) “Eligible project costs” includes productive equipment and machinery, working capital for  
3 operations and export transactions and such other costs as the **Economic and Community De-**  
4 **velopment** Department, by rule, may provide.

5        [(3) “Emerging small business” has the meaning given that term in ORS 200.005.]

6        (3) “**Environmental action**” has the meaning given that term in section 48 of this 2007  
7 **Act.**

8        (4) “Financial institution” includes institutions listed in ORS 706.008 and such other institutions  
9 defined by rule of the Economic and Community Development Department as financial institutions  
10 for purposes of ORS 285B.200 to 285B.218.

11        (5) “Qualified business” means any existing or proposed business [*entity with an average annual*  
12 *employment not exceeding 200 employees*] that, except when located within a distressed area, as de-  
13 fined by the Economic and Community Development Department, sells goods or services in markets  
14 for which national or international competition exists or that owns, occupies, operates or has en-  
15 tered into an agreement to own, occupy or operate real property containing a brownfield[, *as defined*  
16 *in ORS 285A.185*]. The term includes professional services companies providing services to traded  
17 sector industries and other entities within and outside of this state.

18        (6) “Value-added agricultural products” means agricultural products that have been processed,  
19 transformed or refined to the point where they may be distributed to a final consumer without fur-  
20 ther processing, transformation or refining. The term also includes agricultural products that are  
21 processed, transformed or refined for distribution to other than final consumers when such process-  
22 ing, transformation or refining represents a substantial increment in value as determined by the  
23 Economic and Community Development Department in consultation with the State Department of  
24 Agriculture.

25        **SECTION 56.** ORS 285B.203 is amended to read:

26        285B.203. [(1) *The Legislative Assembly finds that:*]

27        [(a) *Small and medium sized businesses in general, and firms that produce value-added agricul-*  
28 *tural products in particular, are adversely affected by the current credit crisis.*]

29        [(b) *Small companies have historically had a difficult time obtaining credit, especially on terms that*  
30 *allow them to grow and to create jobs.*]

31        [(c) *The limited availability of credit for export transactions limits the ability of small and medium*  
32 *sized businesses in Oregon to compete in international markets.*]

33        [(d) *The challenge for the public economic sector is to design programs, in conjunction with lending*  
34 *institutions in the private economic sector, that fill the gaps in credit availability and export finance.*]

35        [(e) *Without substantial financial assistance to promote redevelopment, properties containing*  
36 *brownfields, as defined in ORS 285A.185, often remain abandoned or underutilized because of the un-*  
37 *certainty concerning environmental contamination at the sites and the cost of reducing or eliminating*  
38 *the contamination.*]

39        [(2)] The Legislative Assembly declares that it is the purpose of the Credit Enhancement Fund  
40 [*established under ORS 285B.215 (1) and (2)*] to:

41        [(a)] (1) Create incentives and assistance to increase the flow of private capital to the value-  
42 added agriculture industries.

43        [(b)] (2) Promote industrial modernization and technology adoption.

44        [(c)] (3) Encourage the retention and creation of family wage jobs.

45        [(d)] (4) Encourage the export of goods and services by Oregon businesses in international

1 markets.

2 [(e)] (5) Encourage and promote the redevelopment of brownfields[, *as defined in ORS*  
3 *285A.185,*] by providing assistance to perform environmental action[, *as defined in ORS 285A.188,*]  
4 on brownfield sites.

5 **SECTION 57.** ORS 285B.206 is amended to read:

6 285B.206. (1) The Economic and Community Development Department shall develop a program  
7 under which the department, under contracts with financial institutions, shall provide loan guaran-  
8 tees, insurance, coinsurance in conjunction with other providers of loan guarantee programs or  
9 other forms of credit guarantees for qualified businesses for eligible project costs.

10 (2) In administering the program created by ORS 285B.200 to 285B.218, the department shall  
11 consult and cooperate with financial institutions in this state. The program shall be administered  
12 so that administrative procedures and application procedures are as responsive to the needs of  
13 qualified businesses and financial institutions as practicable, consistent with prudent investment and  
14 lending practices and criteria.

15 (3) The department shall prescribe by rule the loan or credit guarantee application procedure  
16 for a financial institution on behalf of a qualified business.

17 (4) When the department approves a loan or credit guarantee, the department shall enter into  
18 a loan or credit guarantee agreement with the financial institution. The agreement shall specify:

19 [(a) *The fee to be charged to the financial institution;*]

20 [(b)] (a) The evidence of debt assurance of, and security for, the loan or credit guarantee;

21 [(c)] (b) A loan guarantee or credit guarantee which does not exceed 15 years; and

22 [(d)] (c) Such other terms and conditions considered necessary or desirable by the department.

23 [(5) *The department may adopt procedures for loan or credit guarantees whereby a qualified busi-*  
24 *ness may apply directly to the department for a preliminary guarantee commitment. Such preliminary*  
25 *guarantee commitments may be issued by the department subject to the qualified business securing a*  
26 *commitment for financing from a financial institution. The procedures adopted by the department shall*  
27 *specify the process by which a financial institution may obtain a final loan or credit guarantee.*]

28 **SECTION 58.** ORS 285B.209 is amended to read:

29 285B.209. (1) When making loan or credit guarantees under the program established under [ORS  
30 *285B.206*] **ORS 285B.200 to 285B.218**, the Economic and Community Development Department shall  
31 establish fees and other terms for loan or credit guarantees that are calculated to reasonably assure  
32 that businesses with access to other forms of private capital will find it economical not to partic-  
33 ipate in the program.

34 (2) The department, with due regard for the possibility of losses and administrative costs, shall  
35 set fees and other terms at levels sufficient to reasonably assure that the program is self-financing.

36 [(3) *When making loan or credit guarantees under the program established under ORS 285B.200*  
37 *to 285B.218, the department shall establish fees and other terms for loan or credit guarantees that are*  
38 *calculated to reasonably assure that qualified businesses with access to other forms of private capital*  
39 *will find it economical not to participate in the program.*]

40 [(4) *With due regard for the possibility of losses and administrative costs, the department shall set*  
41 *fees and other terms at levels sufficient to reasonably assure that the program is self-financing.*]

42 [(5) *For a preliminary guarantee commitment issued under ORS 285B.206 (5), the department may*  
43 *charge the qualified business an application fee. The fee shall be in addition to any other fees charged*  
44 *by the department under this section and may not exceed \$250 for each application.*]

45 **SECTION 59.** ORS 285B.215 is amended to read:

1 285B.215. (1) There is established in the State Treasury, separate and distinct from the General  
 2 Fund, the Credit Enhancement Fund. All moneys in the fund are continuously appropriated to the  
 3 Economic and Community Development Department for the following purposes:

4 (a) Payment of claims pursuant to contracts for loan or credit guarantees under ORS 285B.200  
 5 to 285B.218.

6 (b) Payment of administrative costs of the department for actual and necessary administrative  
 7 expenses incurred by the department in administering the fund and establishing and maintaining the  
 8 program established under ORS 285B.200 to 285B.218.

9 (c) Repayment of transfers of funds required or authorized by law.

10 (d) Purchase or buyout of superior or prior liens, mortgages or security interests.

11 (2) Moneys in the Credit Enhancement Fund shall consist of:

12 (a) Moneys appropriated to the fund by the Legislative Assembly, including moneys derived from  
 13 the Administrative Services Economic Development Fund.

14 (b) Proceeds from collateral assigned to the department.

15 (c) Interest earned on moneys in the fund.

16 (d) Transfers of moneys to the fund.

17 (e) Fees assessed for guarantees, as determined by the department.

18 (f) Moneys from gifts.

19 (g) Moneys from any grant made to the fund by any federal agency.

20 (h) Proceeds of insurance provided by the Export-Import Bank of the United States or by any  
 21 other provider of insurance for export transactions.

22 *[(3) In each biennium, not less than 20 percent of all moneys available for loan guarantees from  
 23 the Credit Enhancement Fund is reserved for loan guarantees to emerging small businesses.]*

24 **SECTION 60.** ORS 285B.218 is amended to read:

25 285B.218. (1) The Economic and Community Development Department is authorized to pledge  
 26 up to \$75 million to assure the repayment of loan guarantees or other extensions of credit made to  
 27 or on behalf of qualified businesses for eligible projects costs.

28 (2) If the balances in the Credit Enhancement Fund are insufficient to cover any claims by fi-  
 29 nancial institutions that arise from loan and credit guarantees made under ORS 285B.200 to  
 30 285B.218, the Oregon Department of Administrative Services is directed to transfer in the fiscal year  
 31 as often as appropriate any funds from the Administrative Services Economic Development Fund to  
 32 cover such principal, interest and claims, subject to the condition that no such transfer shall be  
 33 made prior to the satisfaction of **any constitutionally dedicated distribution**, the allocation under  
 34 ORS 391.130 to the Regional Light Rail Extension Construction Fund *[and the allocation to the De-*  
 35 *partment of Environmental Quality for the debt services described in section 1, chapter 537, Oregon*  
 36 *Laws 1993]* **or any allocations related to the lottery bond program authorized by ORS 286.560**  
 37 **(6)(a) or (b).**

38  
 39 **REGIONAL ECONOMIC DEVELOPMENT**

40  
 41 **SECTION 61.** ORS 285B.230 is amended to read:

42 285B.230. As used in ORS 285B.230 to 285B.269, unless the context requires otherwise:

43 (1) "Region" means groups of counties designated by the Economic and Community Development  
 44 Department or recognized in a regional partnership as provided in ORS 285B.236 (3).

45 (2) "Regional board" means a board comprised of individuals described in ORS 285B.242 (1) and

1 jointly appointed by the county governing bodies of each county in the region to develop, fund, im-  
2 plement and monitor the achievement of the regional investment strategy.

3 (3) "Regional investment strategy" is a long-term economic development strategy, updated [*each*  
4 *biennium*] **every six years**, that focuses on the economic development priorities of each region, in-  
5 cluding but not limited to:

6 (a) Supporting communities and populations that have been left out of Oregon's economic ex-  
7 pansion and diversification;

8 (b) Helping companies that are starting up or are already doing business in Oregon to compete  
9 globally;

10 (c) Ensuring that economic strategies reinforce Oregon's long-term prosperity and livability; and

11 (d) Coordinating efforts of economic development, education and workforce development.

12 (4) "Regional partnership" means a group of regional and economic development partners, in-  
13 cluding but not limited to cities, counties, ports, Indian tribes, special districts, nonprofit organiza-  
14 tions and private organizations, that join together as a regional partnership in a memorandum of  
15 understanding between the members of the partnership and the directors of the Department of  
16 Transportation, the Economic and Community Development Department, the Housing and Commu-  
17 nity Services Department, the Department of Land Conservation and Development, the State De-  
18 partment of Agriculture, the Department of State Lands and the Department of Environmental  
19 Quality to provide a forum for coordination of economic development planning and investments so  
20 that strategies and processes for economic development are leveraged to the greatest extent possible  
21 to meet agreed-upon priority issues, challenges and goals.

22 **SECTION 62.** ORS 285B.236 is amended to read:

23 285B.236. (1) The Economic and Community Development Department, by rule, shall adopt  
24 guidelines for submission of regional investment strategies and distribution of funds.

25 (2) The guidelines shall provide that the regional investment strategies are approved in accord-  
26 ance with criteria reflecting the economic benefits to the state. Each regional investment strategy  
27 must at a minimum set forth in measurable terms the extent to which the strategy will accomplish  
28 the economic development priorities of the region.

29 (3) The department, in collaboration with counties, shall establish regions, based on information  
30 and advice received from county governing bodies and on historical, cultural and economic links  
31 among counties. **Unless there is a recognized regional partnership**, a region shall consist of at  
32 least two contiguous counties. For any area in which a regional partnership is established, the de-  
33 partment may accept the regional boundaries designated by the partnership.

34 (4) The department shall require each region to examine its economic development needs.

35 **SECTION 63.** ORS 285B.239 is amended to read:

36 285B.239. (1) Regional investment strategies shall serve as a basis for state financial assistance  
37 to projects or activities to meet regional economic development priorities. Each group of counties  
38 that forms a region shall submit a regional investment strategy that at a minimum shall include the  
39 following elements:

40 [(1)] (a) An identification of short-term and long-term regional economic development priorities;

41 [(2)] (b) An analysis of the unique or significant resources that provide the foundation for the  
42 regional investment strategy;

43 [(3)] (c) An analysis of barriers to implementation of the regional investment strategy and an  
44 identification of the means to overcome those barriers;

45 [(4)] (d) A long-term plan to implement the regional investment strategy, including necessary

1 actions by:

2 [(a)] (A) Local governments;

3 [(b)] (B) The private sector;

4 [(c)] (C) State government; and

5 [(d)] (D) Federal government;

6 [(5)] (e) A [*two-year*] **six-year** investment strategy that describes projects [*and*] **or** activities to  
7 be undertaken or funded by the state from lottery proceeds and other sources. For a region that has  
8 a recognized regional partnership under ORS 285B.236, the projects or activities may include in-  
9 vestment of all or part of the moneys received by the region from the Regional Investment Fund  
10 [*or the Rural Investment Fund*] to provide moneys for the administration or financing of long-term  
11 or future economic development projects or activities;

12 [(6)] (f) A plan for involvement of disadvantaged and minority groups in the region;

13 [(7)] (g) Performance measurements for meeting the objective set forth in ORS 285B.236 (2). Each  
14 region shall develop an evaluation plan, as part of its regional investment strategy, for measuring  
15 and monitoring regional investment strategy performance. The evaluation plan shall include re-  
16 gional benchmarks for monitoring achievement of the regional investment strategies and priorities.  
17 When regional benchmarks are established, regional performance measures shall be determined after  
18 negotiation between the regional board and the Oregon Economic and Community Development  
19 Commission. The regional performance measures shall include goals for:

20 [(a)] (A) Projected long-term and short-term job creation and retention activities, including the  
21 number of jobs created and retained and wage levels;

22 [(b)] (B) Leveraging long-term investments; and

23 [(c)] (C) Maximizing moneys leveraged with short-term investments;

24 [(8)] (h) Periodic submission by the regional board of performance reports, in a form prescribed  
25 by the Economic and Community Development Department for regional investment strategies, to the  
26 county governing bodies in the region, the Oregon Economic and Community Development  
27 Commission[, *the Governor*] and the Legislative Assembly; and

28 [(9)] (i) An overall strategy management and project or activity implementation strategy that  
29 demonstrates that a region has the capacity to allocate resources and insures that such resources  
30 are effectively used.

31 **(2) Each regional board shall include a rural set aside consistent with the purposes and**  
32 **objectives of the Regional Investment Fund.**

33 **(3) In each biennium, a regional board may dedicate all or a portion of the monies dis-**  
34 **tributed to the board from the Regional Investment Fund for technical assistance and staff**  
35 **support for updating the regional investment strategy and for developing programs and**  
36 **projects. The regional board shall determine the amount of moneys dedicated to such pur-**  
37 **poses.**

38 **SECTION 64.** ORS 285B.242 is amended to read:

39 285B.242. (1) The governing body of each county of this state shall be responsible for the sub-  
40 mission of a regional investment strategy as provided in ORS 285B.239. The governing body of a  
41 county shall designate a regional board to develop the regional investment strategy. The regional  
42 board shall consist of individuals who represent various local interests including cities, counties,  
43 ports, special districts and Indian tribes and significant representation from the private economic  
44 sector. The regional board shall include members who are representatives of rural interests, in-  
45 cluding local government.

1 (2) The regional board shall be responsible for developing the regional investment strategy for  
2 the region.

3 (3) The regional board shall hold a public hearing in each county in the region prior to a vote  
4 by the governing bodies of the counties to recommend to the [*Governor*] **Economic and Community**  
5 **Development Department** the regional investment strategy described in ORS 285B.239.

6 (4) In developing the implementation strategy provided for in ORS 285B.239 [(5)] (1)(e), a re-  
7 gional board shall consult with industries, cities, ports, special districts, regional workforce com-  
8 mittees and federally recognized Oregon Indian tribes located in the region.

9 (5) A region shall submit the regional investment strategy to the [*Economic and Community*  
10 *Development*] department for review by the Oregon Economic and Community Development Com-  
11 mission. The department shall work with regions to refine regional investment strategies and ensure  
12 compliance with the requirements of ORS 285B.230 to 285B.269. [*The Oregon Economic and Commu-*  
13 *nity Development Commission shall make recommendations on approval of the strategy to the Governor*  
14 *for final approval or shall return the strategy to the regional board for further modification.*]

15 (6) The [*Economic and Community Development*] department shall be responsible for identifying  
16 common issues among regions, developing statewide strategies and organizing opportunities for re-  
17 gions to address them.

18 (7) After a regional investment strategy is developed by a regional board, adopted by the gov-  
19 erning bodies of the counties and approved by the [*Governor*] **department**, the regional board, [*in*  
20 *each biennium*] **every six years**, shall update the strategy and recommend [*a two-year*] **the** imple-  
21 mentation strategy. The implementation strategy shall be adopted by the governing bodies of the  
22 counties after input from the cities, ports, special districts, Indian tribes, private economic sector  
23 and other parties in the region, shall be reviewed by the Oregon Economic and Community Devel-  
24 opment Commission [*and must be approved by the Governor before taking effect*].

25 (8) The Governor may delegate responsibility for review and approval of a regional investment  
26 strategy to a regional partnership.

27 **SECTION 65.** ORS 285B.245 is amended to read:

28 285B.245. [(1) *After considering the recommendations submitted, the Governor may adopt a pro-*  
29 *posed regional investment strategy or return the strategy to the affected counties for modification.*]

30 [(2)] (1) The Economic and Community Development Department shall coordinate adopted re-  
31 gional investment strategies with existing state and local economic development efforts to support  
32 a state strategy for economic development. Regions using regional investment funds for tourism or  
33 industrial marketing projects must, as a condition for receiving the funds, demonstrate that the  
34 projects complement and are consistent with existing statewide marketing campaigns. The depart-  
35 ment shall work with regions to ensure coordination among statewide marketing efforts and regional  
36 tourism, [*and*] industrial marketing projects **and industrial or commercial land development**  
37 funded through the regional investment program established under ORS 285B.230 to 285B.269.

38 [(3)] (2) The department shall discourage competition among regions for existing Oregon busi-  
39 nesses and economic activity.

40 **SECTION 66.** ORS 285B.260 is amended to read:

41 285B.260. (1) There is created a Regional Investment Fund, separate and distinct from the Gen-  
42 eral Fund, to consist of all moneys credited thereto, including moneys from the Administrative Ser-  
43 vices Economic Development Fund, and all interest earned on the Regional Investment Fund. The  
44 fund is continuously appropriated to the Economic and Community Development Department to be  
45 used for grants to implement ORS 171.845, 280.518 and 285B.230 to 285B.269.



1 (2) The department may use moneys in the Regional Investment Fund to pay for the adminis-  
 2 trative expenses of operating the regional investment program under ORS 285B.230 to 285B.269.

3 (3) The fund shall not be used to retire any debt *[or to]*, **to** reimburse any person or municipality  
 4 for expenditures made or expenses incurred prior to the adoption of a regional investment strategy  
 5 **or to substitute for local government expenditures for existing and continuing public ser-**  
 6 **VICES. The department shall adopt rules to carry out the provisions of this subsection.**

7 (4) **After consulting with regional boards and representatives of rural communities, the**  
 8 **department, by rule, shall adopt standards, objectives and criteria for the use and distrib-**  
 9 **ution of moneys in the Regional Investment Fund.**

10 (5) **The Regional Investment Fund is created to provide a flexible funding source for fi-**  
 11 **nancing those locally determined programs and projects that may not be eligible for financ-**  
 12 **ing through other state and federal funding sources.**

13 **SECTION 67.** ORS 285B.263 is amended to read:

14 285B.263. (1) In each biennium, the Economic and Community Development Department shall  
 15 expend moneys from the Regional Investment Fund for:

16 (a) Technical assistance and staff support for preparation and update of regional investment  
 17 strategies;

18 (b) Projects or activities implementing an approved regional investment strategy and imple-  
 19 menting priorities described in the strategy; *[and]*

20 (c) Personnel necessary to administer the strategies and projects or activities~~].~~; **and**

21 **(d) Other activities consistent with the adopted regional investment strategy in accord-**  
 22 **ance with ORS 285B.239.**

23 *[(2) In each biennium, the Oregon Economic and Community Development Commission, by rule and*  
 24 *in agreement with the Association of Oregon Counties, League of Oregon Cities and Oregon Public*  
 25 *Ports Association, may provide funds from any source available to the department to establish strategic*  
 26 *regional investment opportunities consistent with the policies described in ORS 285B.266. Funding for*  
 27 *projects or activities under this subsection shall be awarded, at the discretion of the commission, ac-*  
 28 *cording to the quality of the defined projects or activities.]*

29 [(3)] (2) In each biennium, a regional board may dedicate a portion of regional investment funds  
 30 for technical assistance and staff support for regional investment strategy development and refine-  
 31 ment and development and administration of regional partnerships. The portion of funds so dedicated  
 32 shall be determined by the **Oregon Economic and Community Development** Commission. The  
 33 commission shall provide regional boards with these funds prior to approval of regional investment  
 34 strategies.

35 [(4)] (3) In each biennium, a regional board may dedicate a portion of regional investment funds  
 36 to provide grants or loans to individual private businesses for fixed asset acquisition. Such funds  
 37 must be used to make grants and loans that are consistent with the regional investment strategy  
 38 and that support the regional priorities included in the regional investment strategy. The terms and  
 39 conditions of grants or loans to be made under this subsection must be contained in the regional  
 40 investment strategy at the time it is submitted for state review.

41 [(5)] (4) After a regional investment strategy is adopted, the department in each calendar quar-  
 42 ter shall provide regional investment funds, less any moneys used for technical assistance and staff  
 43 support for regional investment strategy development, to the region. Moneys received under this  
 44 subsection shall be used for development of projects or activities based upon an evaluation by the  
 45 regional board of the merit and readiness of the projects or activities. Projects and activities that

1 receive such financial assistance must be consistent with the priorities of the approved regional in-  
 2 vestment strategy.

3 [(6)] (5) In each biennium, each regional board shall submit a report to the Governor and the  
 4 Legislative Assembly that describes the expenditure of moneys received under this section and in-  
 5 dicates the success, as defined by specified performance measurements, of the funded projects or  
 6 activities in achieving the regional economic development priorities described in ORS 285B.236 (2).

7 **SECTION 68.** ORS 285B.264 is amended to read:

8 285B.264. [(1) Notwithstanding ORS 285B.254 (3), distributions from the Rural Investment Fund  
 9 created under ORS 285B.254 and] The Regional Investment Fund created under ORS 285B.260 shall  
 10 be evaluated to determine if the regional investment strategy funded by a distribution has met the  
 11 criteria established by the strategy for:

12 [(a)] (1) Long-term and short-term job creation and retention activities, including the number of  
 13 jobs created and retained and wage levels;

14 [(b)] (2) Leveraging long-term investments; [and]

15 [(c)] (3) Maximizing moneys leveraged with short-term investments[.]; **and**

16 (4) **The success of other community development projects funded.**

17 [(2) The Economic and Community Development Department shall adopt rules to ensure that future  
 18 grants to a regional board are based on the past performance of the board in meeting the criteria es-  
 19 tablished for the regional investment strategy described in subsection (1) of this section.]

20  
 21 **INNOVATION ACCELERATION**

22  
 23 **SECTION 69.** (1) **The Innovation Acceleration Fund is established in the State Treasury,**  
 24 **separate and distinct from the General Fund. The fund shall consist of all moneys credited**  
 25 **to the fund, including moneys from the Administrative Services Economic Development**  
 26 **Fund. Interest earned by the Innovation Acceleration Fund shall be credited to the fund.**  
 27 **Moneys in the fund are continuously appropriated to the Economic and Community Devel-**  
 28 **opment Department for all of the following purposes:**

29 (a) **To provide funds for activities outlined in ORS 285B.286.**

30 (b) **To assist Oregon’s workforce in meeting the competitive needs of a global market-**  
 31 **place and in anticipating global marketplace changes.**

32 (c) **To invest in workforce development, including immediate training and skill develop-**  
 33 **ment to create “ready to hire” workers for identified industry clusters.**

34 (d) **To assist traded sector and cluster affiliated Oregon businesses and consortia in**  
 35 **making investments that advance workplace skills or other identified competitiveness objec-**  
 36 **tives of existing Oregon cluster businesses.**

37 (2)(a) **The fund may not be used:**

38 (A) **To retire any debt; or**

39 (B) **To pay administrative expenses of the department, except upon approval of the Leg-**  
 40 **islative Assembly or, if the Legislative Assembly is not in session, the Emergency Board.**

41 (b) **Expenses that are project related may not be considered to be administrative ex-**  
 42 **penses of the department.**

43  
 44 **INDUSTRIAL DEVELOPMENT REVENUE BONDS**

1        **SECTION 70.** ORS 285B.320 is amended to read:

2        285B.320. [*The Legislative Assembly finds that by use of the powers and procedures described in*  
3        *ORS 285B.320 to 285B.371 for the assembling and financing of lands for industrial, solid waste dis-*  
4        *posal, commercial and research and development uses and for the construction and financing of facili-*  
5        *ties for such uses, financed through the issuance of bonds secured solely by the properties, lease*  
6        *payments, loan payments, rentals or other financing payments thus made available, the state may be*  
7        *able to reduce substantially in various counties the occurrence of economic conditions requiring more*  
8        *expensive remedial action.*] It is the purpose of ORS 285B.320 to 285B.371 to authorize the exercise  
9        of powers granted by ORS 285B.320 to 285B.371 by this state in addition to and not in lieu of any  
10       other powers it may possess.

11       **SECTION 71.** ORS 285B.323 is amended to read:

12       285B.323. As used in ORS 285B.320 to 285B.371, unless the context requires otherwise:

13       (1) “Bond” means any evidence of indebtedness, including but not limited to any bond, note,  
14       obligation, loan agreement, financing agreement, contracts for leasing, rental or financing of real  
15       or personal property, including contracts for rental, long term leases under an optional contract for  
16       purchase, financing agreements with vendors, financial institutions or others or for purchase of any  
17       property secured by revenues or from other financing sources as provided in ORS 285B.320 to  
18       285B.371. A bond, as defined in this subsection and issued under ORS 285B.320 to 285B.371, shall  
19       be considered a revenue bond for purposes of ORS 286.031.

20       (2) “Economic development project” includes any properties, real or personal, used or useful in  
21       connection with a revenue producing enterprise [*or any solid waste disposal facilities and*] **or ex-**  
22       **empt facilities, exempt persons or** related vehicles, rolling stock or equipment. “Economic devel-  
23       **opment project”** [*shall*] **does** not include any facility or facilities designed primarily for the  
24       generation, transmission, sale or distribution of electrical energy.

25       (3) “Eligible project” means an economic development project found by the Oregon Economic  
26       and Community Development Commission to meet standards of the commission adopted under ORS  
27       285A.110. The commission may treat as a single eligible project for bonding purposes any number  
28       of economic development projects determined to be eligible projects.

29       **SECTION 72.** ORS 285B.326 is amended to read:

30       285B.326. (1) Upon determining **that** an economic development project **is** an [“]eligible  
31       project,[”] the Oregon Economic and Community Development Commission shall forward the appli-  
32       cation to the State Treasurer, who shall determine whether to issue the bonds.

33       (2) The commission shall collect [*the*] fees [*set forth in subsection (3) of this section*] from an ap-  
34       plicant that seeks to have an economic development project declared eligible for financing **in ac-**  
35       **cordance with an application fee schedule established by rule by the Economic and**  
36       **Community Development Department.** The fee may be collected even though the project has not  
37       been determined to be eligible for financing. Moneys collected under this subsection shall be de-  
38       posited in the Oregon Community Development Fund created under ORS 285A.227 and are contin-  
39       uously appropriated to the commission for the purpose of administration or funding of any program  
40       it is authorized to operate.

41       [*(3) The fees described in subsection (2) of this section are as follows:*]

42       [*(a) \$250 for an application of not to exceed \$500,000.*]

43       [*(b) \$500 for an application of more than \$500,000.*]

44       [*(c) A closing fee of not to exceed one-half of one percent of the total bond issue for the project, as*  
45       *determined by the commission.*]

1 (3) The commission may receive reimbursement for administrative expenses, including  
2 but not limited to expenses for the initial review of the application and later expenses related  
3 to eligible projects.

4 **SECTION 73.** ORS 285B.329 is amended to read:

5 285B.329. (1) The state, acting through the State Treasurer, shall not undertake to finance any  
6 economic development project pursuant to ORS 285B.320 to 285B.371 before the Oregon Economic  
7 and Community Development Commission has reviewed the project [*pursuant to standards adopted*  
8 *under ORS 285A.110*].

9 (2) The commission is not required to make the determination and findings described in ORS  
10 285A.055 (1) and (2) if the economic development project involves **exempt facilities** [*a solid waste*  
11 *disposal facility*] and related vehicles, rolling stock or equipment when the project does not require  
12 any private activity volume cap under ORS 286.605 to 286.645.

#### 13 14 CONFORMING AMENDMENTS

15  
16 **SECTION 74.** ORS 238.015 is amended to read:

17 238.015. (1) No person may become a member of the system unless that person is in the service  
18 of a public employer and has completed six months' service uninterrupted by more than 30 consec-  
19 utive working days during the six months' period. Every employee of a participating employer shall  
20 become a member of the system at the beginning of the first full pay period of the employee fol-  
21 lowing the six months' period. Contributions for new members shall first be made for those wages  
22 that are attributable to services performed by the employee during the first full pay period following  
23 the six months' period, without regard to when those wages are considered earned for other pur-  
24 poses under this chapter. All public employers participating in the Public Employees Retirement  
25 System established by chapter 401, Oregon Laws 1945, as amended, at the time of repeal of that  
26 chapter, and all school districts of the state, shall participate in, and their employees shall be  
27 members of, the system, except as otherwise specifically provided by law.

28 (2) Any active member of the Public Employees Retirement System who, through the annexation  
29 of a political subdivision employing the member or by change of employment, becomes the employee  
30 of another political subdivision which is participating in the Public Employees Retirement System  
31 and has also a separate retirement system for its employees, shall remain an active member of the  
32 Public Employees Retirement System unless, within 60 days after the effective date of the  
33 annexation or change of employment or April 8, 1953, the member shall by written notice to the  
34 Public Employees Retirement Board and to the administrative body of the new public employer elect  
35 to relinquish membership in the Public Employees Retirement System and become a member of the  
36 separate retirement system of the employer, if eligible for membership in that retirement system, and  
37 the member shall be so carried by the new employer. Immediately upon such annexation of any  
38 political subdivision or such change of employment, the new public employer shall inform such em-  
39 ployee in writing of the right of the employee to exercise an election as in this section provided.

40 (3) A political subdivision (other than a school district) not participating in the retirement sys-  
41 tem established by chapter 401, Oregon Laws 1945, as amended, which employs one or more em-  
42 ployees, each of whose position requires 600 hours of service per year, or an agency created by two  
43 or more political subdivisions to provide themselves governmental services, which employs one or  
44 more employees, each of whose position requires 600 hours of service per year, may, through its  
45 governing body, notify the board in writing, that it elects to include its employees in the system

1 hereby established. Such public employer may request the board to make a study and estimate of the  
2 cost of including it and its eligible employees, other than volunteer firefighters, in the system, which  
3 the board thereupon shall cause to be made and the cost of which the employer shall bear. Upon  
4 completion of the study and estimate the employer may apply for admission to the system, where-  
5 upon it shall begin to participate therein and its eligible employees other than volunteer firefighters  
6 shall become members of the system. If the employer is an agency created by two or more political  
7 subdivisions to provide themselves governmental services and ceases thereafter to transmit to the  
8 board contributions for any of its eligible employees, the benefits based upon employer contributions  
9 to which such employees would otherwise be entitled shall be reduced accordingly.

10 (4) No inmate of a state institution or an alien on a training or educational visa working for  
11 any participating employer, even though the inmate or alien received compensation from a partic-  
12 ipating employer, shall be eligible to become a member of the system. No person employed by a  
13 participating employer and defined by such employer as a student employee is eligible to become a  
14 member of the system for such student employment.

15 (5) A person holding an elective office or an appointive office with a fixed term or an office as  
16 head of a department to which the person is appointed by the Governor may become a member of  
17 the system by giving the board written notice of desire to do so within 30 days after taking the of-  
18 fice or, in the event that the officer is not eligible to become a member of the system at the time  
19 of taking the office, within 30 days after becoming so eligible. Membership so established shall not  
20 be discontinued during the appointive or elective term of the officer except upon separation of the  
21 officer from service.

22 (6) A public employer employing volunteer firefighters may apply to the board at any time for  
23 them to become members of the system. Upon receiving the application the board shall fix a wage  
24 at which, for purposes of this chapter only, they shall be considered to be employed and which shall  
25 be the basis for computing the amounts of the contributions, if any, which they pay into, and of the  
26 benefits which they and their beneficiaries receive from, the fund; and if the wage so fixed is satis-  
27 factory to the employer, shall include the firefighters in the system.

28 (7)(a) In the event that an employee enters the service of a public employer which is partic-  
29 ipating in or later begins to participate in the system and in the event that at the time of entering  
30 that service or at the time that the employer begins to participate in the system the employee has  
31 commenced to purchase and is continuing to purchase a retirement annuity, if the employer deems  
32 the annuity adequate for the purposes of this chapter, it may enter into an agreement with the em-  
33 ployee and the board pursuant to which the employee may be exempted from contributing to the  
34 Public Employees Retirement Fund, and, if no public funds are being used to purchase the annuity  
35 or a corresponding pension, the employer, in lieu of the contributions which it otherwise would  
36 make to the fund on account of the employee, may make contributions toward the cost of purchasing  
37 the annuity. Such employee otherwise shall be subject to the provisions of this chapter, except that  
38 neither the employee nor any person claiming under the employee shall receive any payments from  
39 the retirement fund as service or disability allowance.

40 (b) An employee who enters into an agreement under paragraph (a) of this subsection may elect  
41 at any time thereafter to start to participate in the system by giving written notice of desire to  
42 participate to the board and to the employer. The employee shall receive no retirement credit for  
43 the period during which the employee was exempted from contributing to the fund under the  
44 agreement, but the employee shall be considered to have completed the six months' service required  
45 for membership in the system. When the employee starts to participate in the system the employer

1 shall start to contribute to the fund on account of the employee in the same manner as the employer  
 2 contributes on account of other employees who are active members of the system and the employer  
 3 shall stop making contributions toward the cost of purchasing the retirement annuity.

4 (8)(a) All new appointees in the Federal Cooperative Extension Service or in any other service  
 5 in which participation in the Federal Civil Service retirement program is mandatory, who receive  
 6 a federal appointment on or after July 1, 1955, may participate in the Public Employees Retirement  
 7 System only by giving written notice of their election to so participate to the Public Employees  
 8 Retirement Board within six months after the effective date of their appointment.

9 (b) All persons employed by the Federal Cooperative Extension Service or by any other service  
 10 in which participation in the Federal Civil Service retirement program is mandatory, who are under  
 11 federal appointment as of July 1, 1955, and who are members of the state retirement system, shall  
 12 continue such membership unless, prior to February 1, 1956, they give written notice to the Public  
 13 Employees Retirement Board of their desire to cancel their membership.

14 (c) Any person who is an active member of the Public Employees Retirement System, who, on  
 15 or after July 1, 1955, is employed by the Federal Cooperative Extension Service or by any other  
 16 service in which participation in the Federal Civil Service retirement program is mandatory, and  
 17 who is given a federal appointment, shall continue such membership in the Public Employees Re-  
 18 tirement System unless, within six months after the effective date of the appointment, the person  
 19 gives written notice to the Public Employees Retirement Board of the desire to cancel membership.

20 (d) A cancellation of membership under paragraph (b) or (c) of this subsection terminates mem-  
 21 bership in the Public Employees Retirement System and cancels the right to any benefits from, or  
 22 claims against, that system. Such cancellation prevents the withdrawing member from claiming  
 23 thereafter any retirement credit for any period of employment before the cancellation. Upon receipt  
 24 of a notice of cancellation, the Public Employees Retirement Board shall refund the member account  
 25 of the withdrawing member, regardless of the age of the withdrawing member.

26 (9) Employees, including managers, of foreign trade offices of the Economic and Community  
 27 Development Department who live and perform services in foreign countries under the provisions  
 28 of [ORS 285A.090 (13)] **ORS 285A.075 (1)(h)** shall not be members of the system. However, any  
 29 person who is an active member of the system immediately before becoming an employee of a foreign  
 30 trade office shall continue to be a member of the system during the period of time the person serves  
 31 as an employee of the foreign trade office.

32 (10) An employee who is participating in an alternative retirement program established pursuant  
 33 to ORS 353.250 or an optional retirement plan established pursuant to ORS 341.551 may not be an  
 34 active member of the Public Employees Retirement System.

35 **SECTION 75.** ORS 238A.005 is amended to read:

36 238A.005. For the purposes of this chapter:

37 (1) "Active member" means a member of the pension program or the individual account program  
 38 of the Oregon Public Service Retirement Plan who is actively employed in a qualifying position.

39 (2) "Actuarial equivalent" means a payment or series of payments having the same value as the  
 40 payment or series of payments replaced, computed on the basis of interest rate and mortality as-  
 41 sumptions adopted by the board.

42 (3) "Board" means the Public Employees Retirement Board.

43 (4) "Eligible employee" means a person who performs services for a participating public em-  
 44 ployer, including elected officials other than judges. "Eligible employee" does not include:

45 (a) Persons engaged as independent contractors;

- 1 (b) Aliens working under a training or educational visa;
- 2 (c) Persons, other than workers in the Industries for the Blind Program under ORS 346.190,  
3 provided sheltered employment or make-work by a public employer;
- 4 (d) Persons categorized by a participating public employer as student employees;
- 5 (e) Any person who is an inmate of a state institution;
- 6 (f) Employees of foreign trade offices of the Economic and Community Development Department  
7 who live and perform services in foreign countries under the provisions of [ORS 285A.090 (13)] **ORS**  
8 **285A.075 (1)(h)**;
- 9 (g) An employee actively participating in an alternative retirement program established under  
10 ORS 353.250 or an optional retirement plan established under ORS 341.551;
- 11 (h) Employees of the Oregon University System who are actively participating in an optional  
12 retirement plan offered under ORS 243.800;
- 13 (i) Any employee who belongs to a class of employees that was not eligible on August 28, 2003,  
14 for membership in the system under the provisions of ORS chapter 238 or other law;
- 15 (j) Any person who belongs to a class of employees who are not eligible to become members of  
16 the Oregon Public Service Retirement Plan under the provisions of ORS 238A.070 (2);
- 17 (k) Any person who is retired under ORS 238A.100 to 238A.245 or ORS chapter 238 and who  
18 continues to receive retirement benefits while employed; and
- 19 (L) Judges.
- 20 (5) “Firefighter” means:
- 21 (a) A person employed by a local government, as defined in ORS 174.116, whose primary job  
22 duties include the fighting of fires;
- 23 (b) The State Fire Marshal, the chief deputy state fire marshal and deputy state fire marshals;  
24 and
- 25 (c) An employee of the State Forestry Department who is certified by the State Forester as a  
26 professional wildland firefighter and whose primary duties include the abatement of uncontrolled  
27 fires as described in ORS 477.064.
- 28 (6) “Fund” means the Public Employees Retirement Fund.
- 29 (7)(a) “Hour of service” means:
- 30 (A) An hour for which an eligible employee is directly or indirectly paid or entitled to payment  
31 by a participating public employer for performance of duties in a qualifying position; and
- 32 (B) An hour of vacation, holiday, illness, incapacity, jury duty, military duty or authorized leave  
33 during which an employee does not perform duties but for which the employee is directly or indi-  
34 rectly paid or entitled to payment by a participating public employer for services in a qualifying  
35 position, as long as the hour is within the number of hours regularly scheduled for the performance  
36 of duties during the period of vacation, holiday, illness, incapacity, jury duty, military duty or au-  
37 thorized leave.
- 38 (b) “Hour of service” does not include any hour for which payment is made or due under a plan  
39 maintained solely for the purpose of complying with applicable workers’ compensation laws or un-  
40 employment compensation laws.
- 41 (8) “Inactive member” means a member of the pension program or the individual account pro-  
42 gram of the Oregon Public Service Retirement Plan whose membership has not been terminated, who  
43 is not a retired member and who is not employed in a qualifying position.
- 44 (9) “Individual account program” means the defined contribution individual account program of  
45 the Oregon Public Service Retirement Plan established under ORS 238A.025.

1 (10) "Member" means an eligible employee who has established membership in the pension pro-  
2 gram or the individual account program of the Oregon Public Service Retirement Plan and whose  
3 membership has not been terminated under ORS 238A.110 or 238A.310.

4 (11) "Participating public employer" means a public employer as defined in ORS 238.005 that  
5 provides retirement benefits for employees of the public employer under the system.

6 (12) "Pension program" means the defined benefit pension program of the Oregon Public Service  
7 Retirement Plan established under ORS 238A.025.

8 (13) "Police officer" means a police officer as described in ORS 238.005.

9 (14) "Qualifying position" means one or more jobs with one or more participating public em-  
10 ployers in which an eligible employee performs 600 or more hours of service in a calendar year,  
11 excluding any service in a job for which benefits are not provided under the Oregon Public Service  
12 Retirement Plan pursuant to ORS 238A.070 (2).

13 (15) "Retired member" means a pension program member who is receiving a pension as provided  
14 in ORS 238A.180 to 238A.195.

15 (16)(a) "Salary" means the remuneration paid to an active member in return for services to the  
16 participating public employer, including remuneration in the form of living quarters, board or other  
17 items of value, to the extent the remuneration is includable in the employee's taxable income under  
18 Oregon law. Salary includes the additional amounts specified in paragraph (b) of this subsection,  
19 but does not include the amounts specified in paragraph (c) of this subsection, regardless of whether  
20 those amounts are includable in taxable income.

21 (b) "Salary" includes the following amounts:

22 (A) Payments of employee and employer money into a deferred compensation plan that are made  
23 at the election of the employee.

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

26 (C) Any amount that is contributed to a cafeteria plan or qualified transportation fringe benefit  
27 plan by the employer at the election of the employee and that is not includable in the taxable in-  
28 come of the employee by reason of 26 U.S.C. 125 or 132(f)(4), as in effect on August 29, 2003.

29 (D) Any amount that is contributed to a cash or deferred arrangement by the employer at the  
30 election of the employee and that is not included in the taxable income of the employee by reason  
31 of 26 U.S.C. 402(e)(3), as in effect on August 29, 2003.

32 (E) Retroactive payments made to an employee to correct a clerical error, pursuant to an award  
33 by a court or by order of or pursuant to a conciliation agreement with an administration agency  
34 charged with enforcing federal or state law protecting the employee's rights to employment or  
35 wages, which shall be allocated to and deemed paid in the periods in which the work was done or  
36 in which the work would have been done.

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

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

42 (H) Wages of a deceased member paid to a surviving spouse or dependent children under ORS  
43 652.190.

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

45 (A) Travel or any other expenses incidental to employer's business which is reimbursed by the



1 employer.

2 (B) Payments made on account of an employee's death.

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

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

7 (E) Any retirement incentive, retirement bonus or retirement gratuitous payment.

8 (F) Payment for a leave of absence after the date the employer and employee have agreed that  
9 no future services in a qualifying position will be performed.

10 (G) Payments for instructional services rendered to institutions of the Department of Higher  
11 Education or the Oregon Health and Science University when those services are in excess of full-  
12 time employment subject to this chapter. A person employed under a contract for less than 12  
13 months is subject to this subparagraph only for the months covered by the contract.

14 (H) The amount of an employee contribution to the individual account program that is paid by  
15 the employer and is not deducted from the compensation of the employee, as provided under ORS  
16 238A.335 (1) and (2)(b).

17 (I) Any amount in excess of \$200,000 for a calendar year. If any period over which salary is  
18 determined is less than 12 months, the \$200,000 limitation for that period shall be multiplied by a  
19 fraction, the numerator of which is the number of months in the determination period and the de-  
20 nominator of which is 12. The board shall adopt rules adjusting this dollar limit to incorporate  
21 cost-of-living adjustments authorized by the Internal Revenue Service.

22 (17) "System" means the Public Employees Retirement System.

23 **SECTION 76.** ORS 285A.486 is amended to read:

24 285A.486. (1) Rural communities participating in the rural revitalization program established by  
25 ORS 285A.483 to 285A.495 shall be provided with technical assistance to:

26 (a) Assess their economic strengths, weaknesses, opportunities and threats;

27 (b) Develop short term and long term strategic plans based on the assessment;

28 (c) Assist the communities in developing organizational structures and other activities needed  
29 to implement and sustain their strategic plans; and

30 (d) Resolve problems that may arise in communities as they work to implement their strategic  
31 development plans.

32 (2) The program of leadership training carried on under ORS 285A.483 to 285A.495 shall develop  
33 the skills of individuals enrolled in the program by:

34 (a) Exposing program participants to a broad range of regional, national and international issues  
35 affecting rural areas.

36 (b) Teaching participants about effective management techniques, group problem solving meth-  
37 ods and consensus building processes.

38 (c) Providing participants with training to improve their technical and analytical skills.

39 (d) Educating participants about the functions of local, state and national governments and the  
40 state legislative process.

41 (e) Teaching participants about the elements of effective leadership.

42 (f) Providing participants with opportunities to apply leadership skills to community develop-  
43 ment work.

44 (3) The Economic and Community Development Department shall ensure that the community  
45 development and leadership training efforts carried out under the rural revitalization program are

1 coordinated with existing state and local community development and leadership training programs  
2 in a manner that contributes to the quality and effectiveness of the programs established by ORS  
3 285A.483 to 285A.495, maximizes the use of available resources and expands development and  
4 training opportunities for communities and rural residents. The department shall coordinate pro-  
5 grams under ORS 285A.483 to 285A.495 with other programs including, but not limited to, federal  
6 programs, the regional investment program established under ORS 285B.230 to 285B.269, [*the special*  
7 *public works program established under ORS 285B.410 to 285B.482,*] state workforce and job training  
8 programs, programs offered by the Oregon State University Extension Service and leadership train-  
9 ing programs offered by local chambers of commerce.

10 **SECTION 77.** ORS 285B.503 is amended to read:

11 285B.503. (1) There is established in the State Treasury, separate and distinct from the General  
12 Fund, the Oregon Unified International Trade Fund. The moneys in the fund are continuously ap-  
13 propriated to the Economic and Community Development Department for:

14 (a) Paying all or a portion of the costs of:

15 (A) A project for the extension and improvement of Jackson County Airport runway.

16 (B) A project for the extension of a natural gas pipeline to the Coos Bay and North Bend area  
17 from a location near Roseburg.

18 (C) A project for improvements to the Klamath Falls International Airport maintained by the  
19 City of Klamath Falls.

20 (b) Transfer to the [*Oregon Port Revolving Fund created by ORS 285A.708*] **Community In-**  
21 **vestment Fund created by section 26 of this 2007 Act.**

22 (2) A separate account within the Oregon Unified International Trade Fund shall be established  
23 for each project listed in subsection (1) of this section.

24 (3) The Oregon Unified International Trade Fund shall consist of moneys allocated to the fund  
25 under section 9, chapter 644, Oregon Laws 1997, and such other moneys as may be appropriated to  
26 the fund by the Legislative Assembly, including interest on such moneys.

27 **SECTION 78.** ORS 285B.530 is amended to read:

28 285B.530. As used in ORS 285B.530 to 285B.548, unless the context requires otherwise:

29 (1) "Infrastructure lottery bonds" means the bonds authorized to be issued under ORS 285B.533  
30 for the purpose of financing infrastructure projects.

31 (2) "Infrastructure projects" includes:

32 (a) A water project defined in [*ORS 285B.560*] **section 25 of this 2007 Act**; and

33 (b) Payment of any state financial obligations to the federal government under the Safe Drinking  
34 Water Act.

35 **SECTION 79.** ORS 285B.533 is amended to read:

36 285B.533. (1) Infrastructure lottery bonds shall be issued under ORS 286.560 to 286.580 and  
37 348.716 only at the request of the Director of the Economic and Community Development Depart-  
38 ment. Infrastructure lottery bonds may be issued in an amount sufficient to provide no more than  
39 \$6 million of net proceeds to pay costs of infrastructure projects, plus the amounts required to pay  
40 bond-related costs.

41 (2) The net proceeds from the sale of the infrastructure lottery bonds shall be allocated to the  
42 Economic and Community Development Department for the State of Oregon's match of federal  
43 moneys under the Safe Drinking Water Act.

44 (3) The net proceeds from the sale of the infrastructure lottery bonds that are available to pay  
45 costs of infrastructure projects shall be credited to the [*Water Fund created by ORS 285B.563*]

1 **Community Investment Fund created by section 26 of this 2007 Act.** All such net proceeds are  
2 appropriated continuously to the Economic and Community Development Department only for pay-  
3 ment of costs of infrastructure projects described in subsection (2) of this section and for payment  
4 of bond-related costs that are allocable to infrastructure lottery bonds.

5 (4) The Economic and Community Development Department and any municipality receiving  
6 proceeds of infrastructure lottery bonds shall, if so directed by the Oregon Department of Adminis-  
7 trative Services, take any action specified by the Oregon Department of Administrative Services  
8 that is necessary to maintain the excludability of lottery bond interest from gross income under the  
9 United States Internal Revenue Code.

10 **SECTION 80.** ORS 285B.551 is amended to read:

11 285B.551. (1) Pursuant to ORS 286.560 to 286.580, lottery bonds may be issued:

12 (a) To provide financial and other assistance, including but not limited to loans and grants, to  
13 municipalities, ports and other persons and entities in accordance with the laws governing use of  
14 moneys in the [*Special Public Works Fund created by ORS 285B.455, the Water Fund created by ORS*  
15 *285B.563, the Safe Drinking Water Revolving Loan Fund created by ORS 285A.213, the Oregon Port*  
16 *Revolving Fund created by ORS 285A.708, the Brownfields Redevelopment Fund created by ORS*  
17 *285A.188*] **the Community Investment Fund created by section 26 of this 2007 Act**, the Oregon  
18 Business Development Fund created by ORS 285B.092 and the Marine Navigation Improvement Fund  
19 created by ORS 777.267.

20 (b) To fund Oregon's share of the costs of the Columbia River channel deepening project.

21 (c) To fund Oregon's share of the costs of studies and ecosystem restoration projects in the  
22 lower Columbia River estuary designed to improve habitat for listed endangered or threatened spe-  
23 cies of Columbia River anadromous salmonids.

24 (2) The use of lottery bond proceeds is authorized based on the following findings:

25 (a) The financial and other assistance to municipalities, ports and other persons and entities  
26 will assist in the establishment and expansion of businesses in Oregon and in the construction, im-  
27 provement and expansion of infrastructure, community and port facilities and other facilities that  
28 comprise the physical foundation for industrial and commercial activity and provide the basic  
29 framework for continued and expanded economic opportunities and quality communities throughout  
30 Oregon.

31 (b) The Columbia River channel deepening project is necessary to allow newer, larger  
32 steamships access to Oregon and Washington deep draft ports. A deeper shipping channel will allow  
33 the Columbia River to continue as a world leader in agricultural exports and as a key trade corridor  
34 for farms and businesses throughout Oregon and the region.

35 (c) Such financial and other assistance to municipalities, ports and other persons and entities  
36 and the deepening of the Columbia River channel will therefore promote economic development  
37 within this state, and thus the use of net proceeds derived from the operation of the Oregon State  
38 Lottery to pay debt service on lottery bonds issued under this section to provide such financial and  
39 other assistance to municipalities, ports and other persons and entities and to pay a portion of the  
40 costs of deepening the Columbia River channel is an authorized use of state lottery funds under  
41 section 4, Article XV of the Oregon Constitution, and ORS 461.510.

42 (d) The current lower Columbia River estuary habitat for listed endangered or threatened spe-  
43 cies of Columbia River anadromous salmonids could be improved through ecosystem restoration  
44 projects. The use of the Oregon State Lottery to pay debt service on lottery bonds issued under this  
45 section to pay for studying how the estuary could be improved and to pay for ecosystem restoration

1 projects are authorized uses of state lottery funds.

2 (3) The aggregate principal amount of lottery bonds issued pursuant to subsection (1)(a) of this  
3 section for financial and other assistance to municipalities, ports and other persons and entities may  
4 not exceed the sum of \$227.27 million and an additional amount estimated by the State Treasurer  
5 to be necessary to pay bond-related costs. The aggregate principal amount of lottery bonds issued  
6 pursuant to subsection (1)(b) of this section for the Columbia River channel deepening project may  
7 not exceed the sum of \$17.7 million and an additional amount estimated by the State Treasurer to  
8 be necessary to pay bond-related costs. Lottery bonds issued pursuant to this section may be issued  
9 only at the request of the Director of the Economic and Community Development Department. The  
10 director may not request the issuance of lottery bonds pursuant to subsection (1)(b) of this section  
11 until a final environmental impact statement has been issued and a record of decisions has been  
12 submitted to Congress by the United States Army Corps of Engineers, Congress has authorized the  
13 Columbia River channel deepening project, and the Washington sponsors' shares of the costs of the  
14 Columbia River channel deepening project have been committed.

15 (4) The net proceeds of lottery bonds issued pursuant to subsection (1)(a) and (b) of this section  
16 shall be deposited in the Economic Infrastructure Project Fund, which is hereby established in the  
17 State Treasury separate and distinct from the General Fund. All moneys in the Economic  
18 Infrastructure Project Fund are continuously appropriated to the Economic and Community Devel-  
19 opment Department for any purpose for which moneys in the [*Special Public Works Fund created*  
20 *by ORS 285B.455 may be used, any purpose for which moneys in the Water Fund created by ORS*  
21 *285B.563 may be used, any purpose for which moneys in the Safe Drinking Water Revolving Loan*  
22 *Fund created by ORS 285A.213 may be used, any purpose for which moneys in the Oregon Port Re-*  
23 *volving Fund created by ORS 285A.708 may be used, any purpose for which moneys in the Brownfields*  
24 *Redevelopment Fund created by ORS 285A.188 may be used]* **Community Investment Fund created**  
25 **by section 26 of this 2007 Act**, any purpose for which moneys in the Oregon Business Development  
26 Fund created by ORS 285B.092 may be used and any purpose for which moneys in the Marine Navi-  
27 gation Improvement Fund created by ORS 777.267 may be used. The Director of the Economic and  
28 Community Development Department shall allocate the moneys deposited in the Economic  
29 Infrastructure Project Fund for the purposes described in this subsection in accordance with the  
30 policies developed by the Oregon Economic and Community Development Commission in accordance  
31 with ORS [285A.045] **285A.020**. However, the director shall transfer from the Economic  
32 Infrastructure Project Fund and deposit into the Channel Deepening Account of the Marine Navi-  
33 gation Improvement Fund the proceeds of any lottery bonds sold to finance a portion of the costs  
34 of the Columbia River channel deepening project. Upon determining the relative allocation of mon-  
35 eys deposited in the Economic Infrastructure Project Fund among the purposes described in this  
36 subsection, the director shall transfer from the Economic Infrastructure Project Fund, and deposit  
37 into each of the other funds described in this subsection, the amounts so allocated. Notwithstanding  
38 any other provision of law governing the funds described in this subsection, the funds described in  
39 this subsection may be credited with moneys transferred from the Economic Infrastructure Project  
40 Fund by the director in accordance with this subsection.

41 (5) The aggregate principal amount of lottery bonds issued pursuant to subsection (1)(c) of this  
42 section for the costs of studies and ecosystem restoration projects in the lower Columbia River  
43 estuary may not exceed the sum of \$750,000 and an additional amount estimated by the State  
44 Treasurer to be necessary to pay bond-related costs. The net proceeds of lottery bonds issued pur-  
45 suant to subsection (1)(c) of this section shall be deposited in the Oregon Community Development

1 Fund created by ORS 285A.227 and may be used only for the Oregon nonfederal share of United  
 2 States Army Corps of Engineers Columbia River estuary projects authorized by Congress prior to  
 3 August 9, 2001. The director may not request the issuance of lottery bonds pursuant to subsection  
 4 (1)(c) of this section until Congress and Washington have authorized their respective shares of the  
 5 costs of the studies and ecosystem restoration projects in the lower Columbia River estuary.

6 (6) The proceeds of lottery bonds issued pursuant to this section may be used only for the pur-  
 7 poses set forth in this section and for bond-related costs.

8 **SECTION 81.** ORS 285B.740 is amended to read:

9 285B.740. It is the intent of the Legislative Assembly that in the administration of ORS 285B.740  
 10 to 285B.758, the Economic and Community Development Department work closely with regional  
 11 economic development organizations, community development corporations, small business develop-  
 12 ment centers and organizations that promote and assist small businesses owned and operated by  
 13 women and minorities[, *as defined by ORS 285B.050 (9)*]. The Economic and Community Development  
 14 Department, to the maximum extent feasible and consistent with prudent financial controls, may  
 15 delegate the administration and operation of the loan program created by ORS 285B.740 to 285B.758  
 16 to local and community-based entities. To carry out the policy described in this section:

17 (1) The Economic and Community Development Department may contract with any nonprofit  
 18 corporation or agency with experience and expertise in business finance to administer all or any  
 19 part of the loan program created by ORS 285B.740 to 285B.758.

20 (2) When entering into an agreement for the administration of the loan program by any nonprofit  
 21 corporation or agency, the Economic and Community Development Department may agree to waive  
 22 any claims it may have against such corporation or agency for losses arising out of the normal  
 23 course of business, so long as the corporation or agency does not act negligently or fraudulently in  
 24 providing loans under ORS 285B.740 to 285B.758.

25 (3) When entering into an agreement to have a nonprofit corporation or agency administer the  
 26 loan program created by ORS 285B.740 to 285B.758, the Economic and Community Development  
 27 Department may pay loan origination and loan servicing fees to the corporation or agency. The  
 28 amount of such fees may be determined in the agreement between the department and the adminis-  
 29 tering corporation or agency.

30 **SECTION 82.** ORS 286.560 is amended to read:

31 286.560. As used in ORS 286.560 to 286.580, 327.700 to 327.711 and 348.716, unless the context  
 32 requires otherwise:

33 (1) "Appropriated funds" for a particular fiscal year means any moneys, other than unobligated  
 34 net lottery proceeds, that are specifically appropriated or otherwise specifically made available by  
 35 the Legislative Assembly or the Emergency Board for a fiscal year to replenish reserves established  
 36 as additional security for lottery bonds pursuant to the authority granted in ORS 286.580 (6).

37 (2) "Bond-related costs" means:

38 (a) The costs and expenses of issuing, administering and maintaining lottery bonds and the lot-  
 39 tery bond program, including but not limited to paying or redeeming lottery bonds, paying amounts  
 40 due in connection with credit enhancements or any instruments authorized by ORS 286.580 (6) and  
 41 paying the administrative costs and expenses of the State Treasurer and the Oregon Department of  
 42 Administrative Services, including costs of consultants or advisors retained by the State Treasurer  
 43 or the Oregon Department of Administrative Services for the lottery bonds or the lottery bond  
 44 program;

45 (b) The costs of funding any lottery bond reserves;

1 (c) Capitalized interest for lottery bonds;

2 (d) Rebates or penalties due to the United States in connection with lottery bonds; and

3 (e) Any other costs or expenses that the State Treasurer or the Director of the Oregon De-  
 4 partment of Administrative Services determines are necessary or desirable in connection with issu-  
 5 ing lottery bonds or maintaining the lottery bond program.

6 (3) "Lottery bonds" means:

7 (a) The state park lottery bonds authorized by ORS 390.060 to 390.067, the infrastructure lottery  
 8 bonds authorized by ORS 285B.530 to 285B.548 and the education lottery bonds authorized by ORS  
 9 327.700 to 327.711;

10 (b) Any other bonds payable from the revenues of the Oregon State Lottery unless the legis-  
 11 lation authorizing those bonds expressly provides that those bonds shall not be issued under ORS  
 12 286.560 to 286.580 and 348.716; and

13 (c) Any refunding lottery bonds.

14 (4) "Lottery Bond Administrative Fund" means the fund created by ORS 286.573.

15 (5) "Lottery Bond Fund" means the fund created by ORS 286.570.

16 (6) "Lottery bond program" means a financing program authorized by:

17 (a) ORS 285B.530 to 285B.548, 327.700 to 327.711 or 390.060 to 390.067; or

18 (b) Any other Act of the Legislative Assembly authorizing the issuance of bonds that are paya-  
 19 ble from the revenues of the Oregon State Lottery, unless the legislation authorizing those bonds  
 20 expressly provides that those bonds shall not be issued under ORS 286.560 to 286.580 and 348.716.

21 (7) "Refunding lottery bonds" means any bonds issued for the purpose of refunding any lottery  
 22 bonds.

23 (8) "Unobligated net lottery proceeds" means all revenues derived from the operation of the  
 24 Oregon State Lottery except for:

25 (a) The revenues used for the payment of prizes and expenses of the Oregon State Lottery as  
 26 provided in section 4 (4)(d), Article XV of the Oregon Constitution, and ORS 461.500 and 461.510;

27 (b) The revenues required to be applied, distributed or allocated as provided in ORS 461.543; and

28 (c) The revenues required to be allocated to pay the Westside lottery bonds and any bonds is-  
 29 sued to refund the Westside lottery bonds, to fund reserves for any of those bonds and to pay related  
 30 costs of the Department of Transportation.

31 (9) "Westside lottery bonds" means the bonds issued by this state under the authority granted  
 32 in ORS 391.140 that, notwithstanding ORS 267.334, [285B.419, 285B.422, 285B.482,] 285B.530 to  
 33 285B.548, 286.560 to 286.580, 327.700 to 327.711, 348.716 and 390.060 to 390.067, shall have a claim  
 34 on lottery funds that is superior to the claim of the lottery bonds authorized by ORS 286.560 to  
 35 286.580 and 348.716.

36 **SECTION 83.** ORS 286.585 is amended to read:

37 286.585. (1) Pursuant to ORS 286.560 to 286.580 and 348.716 and subject to future legislative  
 38 approval, lottery bonds may be issued to make grants or loans to Oregon cities to fund projects for  
 39 the reconstruction, renovation or development of community sports facilities in order to make the  
 40 facilities suitable for use by a major league baseball team if a city is selected as an expansion site  
 41 by major league baseball or if a major league baseball team agrees to relocate to a city.

42 (2) The use of lottery bond proceeds is authorized based on the following findings:

43 (a) The financial assistance to cities will assist in the construction, improvement and expansion  
 44 of infrastructure and community facilities that comprise the physical foundation for commercial ac-  
 45 tivity and provide the basic framework for continued and expanded economic opportunities and

1 quality communities throughout Oregon.

2 (b) Such financial assistance to cities will therefore promote economic development within this  
3 state, and thus the use of net proceeds derived from the operation of the Oregon State Lottery to  
4 pay debt service on lottery bonds issued under this section to provide such financial assistance to  
5 cities is an appropriate use of state lottery funds under section 4, Article XV of the Oregon Con-  
6 stitution, and ORS 461.510.

7 (3) Lottery bonds issued pursuant to this section shall be issued only at the request of the Di-  
8 rector of the Economic and Community Development Department.

9 (4) The net proceeds of lottery bonds issued pursuant to this section shall be deposited in the  
10 Economic Infrastructure Project Fund established by ORS 285B.551. The Director of the Economic  
11 and Community Development Department shall allocate the moneys deposited in the Economic  
12 Infrastructure Project Fund for the purpose described in this section in accordance with the policies  
13 developed by the Oregon Economic and Community Development Commission in accordance with  
14 *[ORS 285A.045]* **ORS 285A.020**.

15 (5) The proceeds of lottery bonds issued pursuant to this section shall be used only for the  
16 purposes set forth in this section and for bond-related costs.

17 **SECTION 84.** ORS 320.335 is amended to read:

18 320.335. All moneys received by the Department of Revenue pursuant to ORS 320.305 to 320.340,  
19 and interest thereon, shall be paid to the State Treasurer to be held in a suspense account estab-  
20 lished under ORS 293.445. After the payment of refunds:

21 (1) Moneys necessary to reimburse the Department of Revenue for the actual costs incurred by  
22 the department in administering the state transient lodging tax, not to exceed two percent of state  
23 transient lodging tax collections, are continuously appropriated to the department; and

24 (2) The balance of the moneys received shall be transferred to the account of the [*Oregon*  
25 *Tourism Commission established under ORS 285A.274*] **Community Investment Fund**. The moneys  
26 transferred under this subsection are continuously appropriated to the [*Oregon Tourism Commission*  
27 *for the purposes set forth in ORS 285A.274*] **Community Investment Fund**.

28 **SECTION 85.** ORS 390.063 is amended to read:

29 390.063. The Legislative Assembly declares that the purpose of ORS 390.060 to 390.067 is to  
30 authorize lottery bonds for state park projects. The lottery bonds authorized by ORS 390.060 to  
31 390.067 shall be issued pursuant to ORS 286.560 to 286.580 and 348.716. The obligation of the State  
32 of Oregon with respect to the bonds and with respect to any grant agreement or other commitment  
33 authorized by ORS 267.334, [*285B.410, 285B.422, 285B.482,*] 285B.530 to 285B.548 and 390.060 to  
34 390.067 shall at all times be restricted to the availability of unobligated net lottery proceeds, pro-  
35 ceeds of lottery bonds and any other amounts specifically committed by ORS 286.560 to 286.580 and  
36 348.716. Neither the faith and credit of the State of Oregon nor any of its taxing power shall be  
37 pledged or committed to the payment of lottery bonds or any other commitment of the State of  
38 Oregon authorized by ORS 390.060 to 390.067.

39 **SECTION 86.** ORS 431.120 is amended to read:

40 431.120. The Department of Human Services shall:

41 (1) Enforce state health policies and rules.

42 (2) Have the custody of all books, papers, documents and other property belonging to the State  
43 Health Commission, which may be deposited in the department's office.

44 (3) Give any instructions that may be necessary, and forward them to the various local public  
45 health administrators throughout the state.

1 (4) Routinely conduct epidemiological investigations for each case of sudden infant death syn-  
2 drome including, but not limited to, the identification of risk factors such as birth weight, maternal  
3 age, prenatal care, history of apnea and socioeconomic characteristics. The department may conduct  
4 the investigations through local health departments only upon adoption by rule of a uniform  
5 epidemiological data collection method.

6 (5) Adopt rules related to loans and grants awarded under ORS [285B.560 to 285B.599 or] 541.700  
7 to 541.855 **or sections 25 to 35 of this 2007 Act** for the improvement of drinking water systems for  
8 the purpose of maintaining compliance with applicable state and federal drinking water quality  
9 standards. In adopting rules under this subsection, the Department of Human Services shall coordi-  
10 nate the department's rulemaking process with the Water Resources Department and the Economic  
11 and Community Development Department in order to ensure that rules adopted under this sub-  
12 section are consistent with rules adopted under ORS [285B.563 and] 541.845 **and section 29 of this**  
13 **2007 Act.**

14 (6) Control health care capital expenditures by administering the state certificate of need pro-  
15 gram pursuant to ORS 442.325 to 442.344.

16 **SECTION 87.** ORS 541.700 is amended to read:

17 541.700. As used in ORS 541.700 to 541.855, unless the context requires otherwise:

18 (1) "Commission" means the Water Resources Commission appointed under ORS 536.022.

19 (2) "Construction" means the construction, or improvement or rehabilitation, in whole or in part,  
20 of a water development project, including planning and engineering work, purchasing or refinancing  
21 directly related to such construction or improvement or rehabilitation, or any combination of such  
22 construction or improvement or rehabilitation. As used in this subsection:

23 (a) "Purchasing" means the purchasing of materials, land or existing facilities necessary to  
24 complete a water development project.

25 (b) "Refinancing" includes refinancing existing debt of a water developer, as defined in sub-  
26 section (7)(f) to (m) and (o) of this section, in order to complete a water development project or to  
27 provide adequate security for a water development loan, but does not include refinancing existing  
28 debt only to reduce interest rates or costs to the borrower or to pay off existing debt.

29 (3) "Director" means the Water Resources Director appointed pursuant to ORS 536.032.

30 (4) "Federal water development project" means any water development project that receives  
31 funding from the federal government, or any agency or instrumentality of the United States.

32 (5)(a) "Secondary use" means:

33 (A) Any water-related recreational use.

34 (B) Any flood control use.

35 (C) Any power generation use.

36 (D) Any water supply system utilized as a domestic water system for the benefit of an individual  
37 residence related to the operation of the water development project.

38 (b) "Secondary use" does not include any use that is incompatible with a water development  
39 project.

40 (6) "Water development project" means:

41 (a) An undertaking, in whole or in part, in this state for the purpose of irrigation, including  
42 structures for the application of water for agricultural harvest activities, dams, storage reservoirs,  
43 wells or well systems, pumping plants, pipelines, canals, ditches, revetments, water supply systems  
44 used for the purpose of agricultural temperature control and any other structure, facility and prop-  
45 erty necessary or convenient for supplying lands with water for irrigation purposes.



1 (b) An undertaking, in whole or in part, in this state for the purpose of drainage, including  
 2 ditching, tiling, piping, channel improvement, pumping plants or other agronomically approved  
 3 methods of land drainage that will increase soil versatility and productivity.

4 (c) An undertaking, in whole or in part, in this state for the purpose of providing water for  
 5 municipal use, which may include safe drinking water for communities with population less than  
 6 30,000, including dams, storage reservoirs, wells or well systems, pumping plants, treatment facili-  
 7 ties, pipelines, canals, ditches, revetments and all other structures and facilities necessary or con-  
 8 venient for supplying water. An undertaking may provide water to two or more communities with  
 9 a combined population of more than 30,000. An undertaking may be part of a project that provides  
 10 water to a community with a population of more than 30,000[, *but loans of moneys from the Water*  
 11 *Development Fund, including moneys in ORS 285B.563 (11) may be made only to communities served*  
 12 *by the project that have a population of less than 30,000*].

13 (d) An undertaking, in whole or in part, in this state for the purpose of fish protection, including  
 14 fish screening or by-pass devices, fishways and all other structures and facilities necessary or con-  
 15 venient for providing fish protection.

16 (e) An undertaking, in whole or in part, in this state for the purpose of enhancing watershed  
 17 health or improving fish habitat, including methods and materials to restore, maintain and enhance  
 18 the biological, chemical and physical integrity of the riparian zones and associated uplands of the  
 19 state's rivers, lakes and estuaries systems and recommended by the Oregon Watershed Enhancement  
 20 Board established under ORS 541.360.

21 (f) Secondary uses in conjunction with projects described in paragraphs (a) to (e) of this sub-  
 22 section.

23 (7) "Water developer" means:

24 (a) Any individual resident of this state;

25 (b) Any partnership for profit subject to the provisions of ORS chapter 67 or 70, whose principal  
 26 income is from farming in Oregon;

27 (c) Any corporation for profit subject to the provisions of ORS chapter 60, whose principal in-  
 28 come is from farming in Oregon;

29 (d) Any nonprofit corporation subject to the provisions of ORS chapter 65, whose principal in-  
 30 come is from farming in Oregon;

31 (e) Any cooperative subject to the provisions of ORS chapter 62, whose principal income is from  
 32 farming in Oregon;

33 (f) Any irrigation district organized under or subject to ORS chapter 545;

34 (g) Any water improvement district organized under ORS chapter 552;

35 (h) Any water control district organized under ORS chapter 553;

36 (i) Any irrigation or drainage corporation organized under or subject to ORS chapter 554;

37 (j) Any drainage district organized under ORS chapter 547 or subject to all or part of ORS  
 38 chapter 545;

39 (k) Any corporation, cooperative, company or other association formed prior to 1917 for the  
 40 purpose of distributing water for irrigation purposes;

41 (L) Any port district organized under ORS 777.005 to 777.725, 777.915 to 777.953 and 777.990;

42 (m) Any city or county;

43 (n) Any organization formed for the purpose of distributing water for community water supply;

44 or

45 (o) Any local soil and water conservation district organized under ORS 568.210 to 568.808 and

1 568.900 to 568.933.

2 **SECTION 88.** ORS 541.755 is amended to read:

3 541.755. Except as provided in ORS 541.760:

4 (1) If any water development project investigated under ORS 541.700 to 541.855, other than a  
5 safe drinking water project financed in whole or in part from moneys in the [*Special Public Works*  
6 *Fund created by ORS 285B.455 or the Water Fund created by ORS 285B.563*] **Community Invest-**  
7 **ment Fund created by section 26 of this 2007 Act**, is constructed with funds other than those  
8 loaned under ORS 541.700 to 541.855, the amount expended by the state shall immediately become  
9 due and payable, together with interest at the rate provided in ORS 541.730 (2) from the date of  
10 notification of the amount due.

11 (2) If any water development project is refinanced or financial assistance is obtained from other  
12 sources, other than a safe drinking water project financed in whole or in part from moneys in the  
13 [*Special Public Works Fund created by ORS 285B.455 or the Water Fund created by ORS 285B.563*]  
14 **Community Investment Fund created by section 26 of this 2007 Act**, after the execution of the  
15 loan from the state, all such funds shall be first used to repay the state.

16 **SECTION 89.** ORS 541.845 is amended to read:

17 541.845. (1) In accordance with the applicable provisions of ORS chapter 183, the Water Re-  
18 sources Commission may adopt rules necessary to carry out ORS 541.700 to 541.855.

19 (2) In adopting rules establishing guidelines or criteria for awarding loans or grants for drinking  
20 water projects, the commission shall coordinate the Water Resources Department's rulemaking pro-  
21 cess with the Economic and Community Development Department and the Department of Human  
22 Services in order to ensure that rules adopted under this subsection are consistent with rules  
23 adopted under ORS [285B.563 and] 431.120 **and section 29 of this 2007 Act**. The rules adopted un-  
24 der this subsection shall:

25 (a) Require the installation of meters on all new active service connections from any municipal  
26 drinking water distribution lines funded under ORS [285B.560 to 285B.599,] 431.120, 541.700, 541.705,  
27 541.755, 541.765, 541.830 and 541.845 **and sections 25 to 35 of this 2007 Act**; and

28 (b) Require a plan, to be adopted by the municipality, for installation of meters on all service  
29 connections throughout the drinking water system.

30 (3) As used in this section, "service connection" does not include fire hydrants, fire sprinkler  
31 system connections, line blow-offs and drains, standby emergency interties, valve controlled drinking  
32 fountains and other similar intermittently used connections.

33 **SECTION 90.** ORS 657.665 is amended to read:

34 657.665. (1) Information secured from employing units, employees or other individuals pursuant  
35 to this chapter:

36 (a) Shall be confidential and for the exclusive use and information of the Director of the Em-  
37 ployment Department in the discharge of duties and shall not be open to the public (other than to  
38 public employees in the performance of their public duties under state or federal laws for the pay-  
39 ment of unemployment insurance benefits and to public employees in the performance of their public  
40 duties under the recognized compensation and retirement, relief or welfare laws of this state), except  
41 to the extent necessary for the presentation of a claim and except as required by the regulations  
42 of the United States Secretary of Health and Human Services pursuant to section 3304(a) of the  
43 Federal Unemployment Tax Act, as amended, and except as required by section 303 of the Social  
44 Security Act, as amended.

45 (b) Shall not be used in any court in any action or proceeding pending therein unless the di-

1 rector or the state is a party to such action or proceedings or the proceedings concern the estab-  
2 lishment, enforcement or modification of a support obligation and support services are being  
3 provided by the Division of Child Support or the district attorney pursuant to ORS 25.080.

4 (2) However, any claimant or legal representative, at a hearing before an administrative law  
5 judge, shall be supplied with information from such records to the extent necessary for the proper  
6 presentation of a claim.

7 (3) Notwithstanding subsection (1) of this section, information secured from employing units  
8 pursuant to this chapter may be released:

9 (a) To agencies of this state, federal agencies and local government agencies to the extent nec-  
10 essary to properly carry out governmental planning, performance measurement, program analysis,  
11 socioeconomic analysis and policy analysis functions performed under applicable law. Information  
12 provided such agencies shall be confidential and shall not be released by such agencies in any  
13 manner that would be identifiable as to individuals, claimants, employees or employing units. Costs  
14 of furnishing information pursuant to this subsection not prepared for the use of the Employment  
15 Department shall be borne by the parties requesting the information; and

16 (b) In accordance with ORS 657.673.

17 (4) Nothing in this section shall prevent the Employment Department from providing names and  
18 addresses of employing units to the Bureau of Labor and Industries for the purpose of disseminating  
19 information to employing units. The names and addresses provided shall be confidential and shall  
20 not be used for any other purposes. Costs of furnishing information pursuant to this subsection not  
21 prepared for the use of the Employment Department shall be borne by the bureau.

22 (5) Nothing in this section shall prevent the Employment Department from providing to the  
23 Commissioner of the Bureau of Labor and Industries, for the purpose of performing duties under  
24 ORS 279C.800 to 279C.870, the names, addresses and industrial codes of employer units, the number  
25 of employees each unit employs during a given time period and the firm number assigned to em-  
26 ployer units by the Employment Department. Information so provided shall be confidential and shall  
27 not be released by the commissioner in any manner that would identify such employing units except  
28 to the extent necessary to carry out the purposes of this subsection and as provided in subsection  
29 (1)(b) of this section. Costs of furnishing information pursuant to this subsection not prepared for the  
30 use of the Employment Department shall be borne by the bureau.

31 (6) Nothing in this section shall prevent the Employment Department from providing information  
32 required under ORS 657.660 (3) and (4) to the Public Employees Retirement System for the purpose  
33 of determining the eligibility of members of the retirement system for disability retirement allow-  
34 ances under ORS chapter 238. The information provided shall be confidential and shall not be used  
35 for any other purposes. Costs of furnishing information pursuant to this subsection shall be borne  
36 by the Public Employees Retirement System.

37 (7) Nothing in this section shall prevent the Employment Department from providing to the  
38 Oregon Economic and Community Development Commission information required by the commission  
39 in performing its duty under ORS 285A.050 to verify changes in employment levels following direct  
40 employer participation in Economic and Community Development Department programs or indirect  
41 participation through municipalities under [ORS 285B.410 to 285B.482] **sections 25 to 35 of this**  
42 **2007 Act** and regional boards and partnerships under ORS 285B.230 to 285B.269. Information pro-  
43 vided to the commission may include an employer's employment level, total subject wages payroll  
44 and whole hours worked. The information may not be used for any other purpose and must be held  
45 confidential. The commission may not release the information in any manner that would identify the

1 employing unit or any employee except to the extent necessary to carry out its duties under ORS  
2 285A.050. Costs of furnishing information under this subsection that is not prepared for the use of  
3 the Employment Department shall be borne by the commission.

4 (8) Any officer or employee of the Director of the Employment Department, who, except with  
5 authority of the director or pursuant to regulations, or as otherwise required by law, shall disclose  
6 confidential information under this section, thereafter may be disqualified from holding any ap-  
7 pointment or employment by the director.

8 (9) Nothing in this section shall prevent the Employment Department from providing information  
9 to the Department of Revenue for the purpose of performing its duties under ORS 293.250, or the  
10 revenue and tax laws of this state. Information provided may include names and addresses of em-  
11 ployers and employees and payroll data of employers and employees. Information so provided shall  
12 be confidential and shall not be released by the Director of the Department of Revenue in any  
13 manner that would identify such employing unit or employee except to the extent necessary to carry  
14 out its duties under ORS 293.250 or in auditing or reviewing any report or return required or per-  
15 mitted to be filed under the revenue and tax laws administered by the department. However, the  
16 Director of the Department of Revenue shall not disclose any information received to any private  
17 collection agency or for any other purpose. Costs of furnishing information pursuant to this sub-  
18 section not prepared for the use of the Employment Department shall be borne by the Department  
19 of Revenue.

20 (10) Nothing in this section shall prevent the Employment Department from providing informa-  
21 tion to the Department of Consumer and Business Services for the purpose of performing its duties  
22 under ORS chapters 654 and 656. Information provided may include but is not limited to the name,  
23 address, number of employees and industrial classification code of an employer and payroll data of  
24 employers and employees. Information provided shall be confidential and may not be released by the  
25 Department of Consumer and Business Services in any manner that would identify an employing unit  
26 or employee except to the extent necessary to carry out the department's duties under ORS chapters  
27 654 and 656, including administrative hearings and court proceedings in which the Department of  
28 Consumer and Business Services is a party. Costs of furnishing information pursuant to this sub-  
29 section that is not prepared for the use of the Employment Department shall be borne by the De-  
30 partment of Consumer and Business Services.

31 (11) Nothing in this section shall prevent the Employment Department from providing informa-  
32 tion to the Construction Contractors Board for the purpose of performing its duties under ORS  
33 chapter 701. Information provided to the board may include names and addresses of employers and  
34 status of their compliance with this chapter.

35 (12) Nothing in this section shall prevent the Employment Department from providing informa-  
36 tion to the State Fire Marshal to assist the State Fire Marshal in carrying out duties, functions and  
37 powers under ORS 453.307 to 453.414. Information so provided shall be the employer or agent name,  
38 address, telephone number and standard industrial classification. Information so provided shall be  
39 confidential and shall not be released by the State Fire Marshal in any manner that would identify  
40 such employing units except to the extent necessary to carry out duties under ORS 453.307 to  
41 453.414. Costs of furnishing information pursuant to this subsection not prepared for the use of the  
42 Employment Department shall be borne by the office of the State Fire Marshal.

43 (13) Nothing in this section shall prevent the Employment Department from providing informa-  
44 tion to the Oregon Student Assistance Commission for the purposes of performing the commission's  
45 duties under ORS chapter 348 and Title IV of the Higher Education Act of 1965, as amended. In-

1 formation provided may include names and addresses of employers and employees and payroll data  
2 of employers and employees. Information so provided shall be confidential and shall not be released  
3 by the Oregon Student Assistance Commission in any manner that would identify such employing  
4 unit or employee except to the extent necessary to carry out duties under ORS chapter 348 or Title  
5 IV of the Higher Education Act of 1965, as amended. Costs of furnishing information pursuant to this  
6 subsection not prepared for the use of the Employment Department shall be borne by the Oregon  
7 Student Assistance Commission.

8 (14) Any person or officer or employee of an entity to whom information is disclosed or given  
9 by the Employment Department pursuant to this section, who divulges or uses such information for  
10 any purpose other than that specified in the provision of law or agreement authorizing the use or  
11 disclosure, may be disqualified from holding any appointment or employment, or performing any  
12 service under contract, with the state agency employing that person or officer.

13 (15) Notwithstanding subsection (1) of this section, the industrial classification code assigned to  
14 an employing unit may be released to state agencies, federal agencies and local government agencies  
15 to the extent necessary to carry out governmental functions performed under applicable law. Except  
16 as provided in ORS 190.270, information provided to such agencies is confidential and may not be  
17 released by the agencies in any manner that would allow identification of an employing unit. Costs  
18 of furnishing information that is not prepared for the use of the Employment Department shall be  
19 paid by the party requesting the information under this subsection.

20 **SECTION 91.** ORS 777.760 is amended to read:

21 777.760. As used in ORS 777.755 to 777.800, unless the context requires otherwise:

22 (1) "Board" means the board of directors of an export trading corporation.

23 (2) "Commissioner" means a member of the board of commissioners of a port.

24 (3) "Commissioners of the port" means the board of commissioners of the port which formed the  
25 export trading corporation.

26 (4) "Export trading corporation" means a municipal corporation formed by a port under ORS  
27 294.125, 294.316, 646.740 and 777.755 to 777.800.

28 (5) "Export trading project" means a transaction or arrangement for the purchase, sale, ex-  
29 change or delivery of goods or services in international trade or commerce.

30 (6) "Port" means a municipal corporation formed under ORS [285A.666 to 285A.732,] 777.005 to  
31 777.725, 777.915 to 777.953 and 777.990 or ORS chapter 778.

32 (7) "Services" includes, but is not limited to, architectural, automatic data processing, business,  
33 communications, consulting, engineering, financial, insurance, legal, management, product research  
34 and design, repair, training and transportation services.

35 **SECTION 92.** ORS 777.953 is amended to read:

36 777.953. (1) The board, on its own motion, may initiate a proposal for annexation to the port of  
37 territory that is not within another port organized under [ORS 285A.600 to 285A.708 and] this  
38 chapter. Such territory may be either wholly or partially within or outside the same county in which  
39 the port is located. However, if the territory proposed to be annexed is outside Coos County, then  
40 the territory must be situated entirely within the watershed of the Coos River and its tributaries.  
41 The proposal for annexation shall be made in a resolution adopted by the board.

42 (2) After adoption of a resolution proposing annexation of the territory described in subsection  
43 (1) of this section to the port, the board shall fix a day for a public hearing before the board at  
44 which time the electors of the port and of the affected territory may appear and be heard on the  
45 question of annexation.

1 (3) The board shall cause notice of the hearing to be published once each week for two succes-  
2 sive weeks prior to the day of the hearing in a newspaper of general circulation in the county and  
3 shall cause notices of the hearing to be posted in four public places in the port for the same period.

4 (4) After the public hearing, the board shall file the resolution proposing annexation with the  
5 governing body of the county in which the territory proposed to be annexed is situated. The county  
6 governing body shall order an election to be held in the territory. The county governing body shall  
7 also order the board to hold an election within the boundaries of the port on the same day, both  
8 elections to be held for the purpose of submitting the proposed annexation to the electors. The board  
9 shall certify the results of the election to the county governing body. The order of annexation shall  
10 be entered by the county governing body when a majority of all the votes cast in the territory and  
11 the port are in favor of the annexation.

12 (5) After the date of entry of an order by the county governing body annexing territory to the  
13 port, the territory annexed shall become subject to the outstanding indebtedness, bonded or other-  
14 wise, of the port in like manner as the territory within the port.

15 (6) ORS 198.705 to 198.955 and 777.326 do not apply to an annexation proceeding conducted un-  
16 der this section.

17 **SECTION 93.** ORS 778.008 is amended to read:

18 778.008. (1) ORS 777.005 to 777.050, 777.110, 777.120, 777.132 to 777.165, 777.210, 777.220 and  
19 777.405 to 777.435 do not apply to the Port of Portland.

20 (2) Subject to subsection (1) of this section, the Port of Portland has all powers possessed by  
21 ports formed under ORS [285A.666 to 285A.732,] 777.005 to 777.725, 777.915 to 777.953 and 777.990.

22 (3) ORS 777.530 and 777.535 apply to the Port of Portland and the Port of Portland has all  
23 powers granted to other ports under ORS 777.530 and 777.535.

24 (4) The Port of Portland shall do such things, perform such duties and exercise such powers as  
25 it may be authorized or empowered to do, perform or exercise by any Act of the legislature passed  
26 for that purpose, though not directly in amendment of this chapter. The powers granted by this  
27 chapter are in addition to other powers granted by law to the port.

28 (5) In addition to such other duties, functions and powers as may be imposed upon the Port of  
29 Portland, the port may make recommendations to the Oregon Board of Maritime Pilots.

30 **SECTION 94.** ORS 184.632 is amended to read:

31 184.632. (1) The Legislative Assembly finds that:

32 (a) The ports in Oregon provide effective local assistance to state transportation development  
33 efforts.

34 (b) The ports in this state develop and market facilities and services to support important ex-  
35 isting industries in this state, such as aviation, maritime commerce, international trade, tourism,  
36 recreation and transportation.

37 (c) Port facilities, including roads, railroads, airports, harbors and navigation channels, are an  
38 integral element of the transportation infrastructure of this state.

39 (2) Therefore, the Legislative Assembly declares that it is the policy of this state to include  
40 Oregon's ports in planning and implementing transportation programs. To that end, the Department  
41 of Transportation and the Oregon Department of Aviation may work to:

42 (a) Coordinate with the Economic and Community Development Department [*and the Ports Di-*  
43 *vision*] to facilitate port planning and development;

44 (b) Promote local cooperation in statewide planning and development of the ports;

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

1 (d) Encourage cost-effective investments with prudent financial consideration of port develop-  
2 ment projects; and

3 (e) Facilitate the efforts of the ports to expand and respond to greater domestic and interna-  
4 tional market opportunities.

5 **SECTION 95.** ORS 276.285 is amended to read:

6 276.285. (1) It is the policy of the State of Oregon, in keeping with the benchmark relating to  
7 public infrastructure and development **if a benchmark relating to public infrastructure and de-**  
8 **velopment is** adopted by the [*Oregon Progress Board*] **Economic and Community Development**  
9 **Department under ORS 285A.075**, to facilitate and encourage state agencies that own real prop-  
10 erty and operate facilities to manage and develop these properties in an effective and businesslike  
11 manner. The maintenance, preservation and development of state-owned real property and facilities,  
12 including, but not limited to, educational institutions, hospitals, parks, roads, libraries and fish  
13 hatcheries is essential to enable the State of Oregon to meet the needs of its citizens now and in  
14 the future. The purpose of chapter 452, Oregon Laws 1995, is to maintain and protect the investment  
15 of the State of Oregon in its public infrastructure.

16 (2) Any state agency that owns and operates real property or facilities is authorized to establish  
17 a separate dedicated account in the State Treasury for the purpose of paying the expenses of con-  
18 structing, operating, maintaining, repairing, replacing, equipping, improving, acquiring and disposing  
19 of such real property and facilities. All moneys in an account established pursuant to this subsection  
20 are appropriated continuously to the agency for the purposes described in this subsection. All in-  
21 terest earned on moneys in the account shall be retained in and credited to the account.

22 (3) Any state agency that owns or operates real property or facilities may establish a rental  
23 program for the purpose of recovering and paying for the costs, including debt service, of con-  
24 structing, operating, maintaining, repairing, replacing, equipping, improving and disposing of real  
25 property and facilities consistent with the statutory authority of the state agency. All revenues from  
26 such rental programs shall be deposited in the account established pursuant to subsection (2) of this  
27 section.

28 (4) Whenever a state agency that owns and operates real property and facilities, and that has  
29 an established account under subsection (2) of this section sells or leases real property, the proceeds  
30 from the sale or lease shall be credited to the account established pursuant to subsection (2) of this  
31 section, unless disposition of the proceeds is otherwise provided by law.

32 (5) If a state agency that owns and operates real property and facilities has other statutory  
33 authority to provide funding for real property and facility operation and management, the agency  
34 may use that authority in lieu of or in addition to the provisions of this section.

35 (6) When a state agency establishes an account pursuant to subsection (2) of this section, the  
36 agency shall provide a report of the revenues to and expenditures from the account as part of its  
37 budget submission to the Governor and the Legislative Assembly under ORS chapter 291. The es-  
38 tablishment by state agencies of rental rates for real property or facilities pursuant to this section  
39 shall be on a biennial basis as part of the budget development process, but modification of the rates  
40 may be made during the interim between legislative sessions after a report to the Emergency Board  
41 of the proposed rate modification.

42 **SECTION 96.** ORS 284.540 is amended to read:

43 284.540. (1) There is established the Governor's Council on Oregon's Economy.

44 (2) The members of the council are:

45 (a) The presiding officer of the Oregon Economic and Community Development Commission;

- 1 (b) The chairperson of the Oregon Transportation Commission;
- 2 (c) The chairperson of the State Board of Agriculture;
- 3 [(d) *The chairperson of the International Trade Commission;*]
- 4 [(e)] (d) The president of the State Board of Higher Education; and
- 5 [(f)] (e) Other persons designated by the Governor.

6 (3) The council shall meet quarterly to:

7 (a) Discuss and coordinate the activities of each entity described in subsection (2) of this section  
8 that relate to economic development and improving the economy in Oregon; and

9 (b) Discuss and recommend to the Legislative Assembly methods for creating certainty for the  
10 development process.

11 **SECTION 97.** ORS 284.706 is amended to read:

12 284.706. (1) There is created the Oregon Innovation Council consisting of the following voting  
13 members:

14 (a) The Governor or the Governor's designated representative, who shall be chairperson of the  
15 council.

16 (b) Five members appointed by the Governor who are engaged in the operations of Oregon  
17 traded sector industries.

18 (c) One member appointed by the Governor who is a representative of an Oregon-based, gener-  
19 ally accredited, not-for-profit private institution of higher education.

20 (d) A member of the Oregon Growth Account Board, appointed by the board, who has experience  
21 in the field of venture capital.

22 (e) A member of the Engineering and Technology Industry Council, appointed by the Engineer-  
23 ing and Technology Industry Council.

24 (f) The Director of the Economic and Community Development Department.

25 (g) The Chancellor of the Oregon University System.

26 (h) The Commissioner for Community College Services.

27 (i) The State Treasurer.

28 (2)(a) The Speaker of the House of Representatives shall appoint two members to the council  
29 who are members of the House of Representatives.

30 (b) The President of the Senate shall appoint two members to the council who are members of  
31 the Senate.

32 (c) Members of the Legislative Assembly appointed to the council are nonvoting members and  
33 may act in an advisory capacity only.

34 (3) The following persons, or their representatives, shall serve as ex officio, nonvoting members  
35 of the council:

36 (a) The chairperson of the Oregon Economic and Community Development Commission.

37 [(b) *The chairperson of the International Trade Commission.*]

38 [(c)] (b) The president of the State Board of Higher Education.

39 [(d)] (c) The chairperson of the State Board of Education.

40 [(e)] (d) An executive officer of an association representing Oregon-based, generally accredited,  
41 not-for-profit private institutions of higher education, appointed by the Governor.

42 (4) The term of office of each appointed voting member of the council is three years, but an  
43 appointed member serves at the pleasure of the appointing authority. Before the expiration of the  
44 term of an appointed voting member, the appointing authority shall appoint a successor whose term  
45 begins on July 1 next following. An appointed member is eligible for reappointment. If there is a



1 vacancy for any cause, the appointing authority shall make an appointment to become immediately  
2 effective for the remainder of the unexpired term.

3 (5) A majority of the voting members of the council constitutes a quorum for the transaction  
4 of business.

5 (6) Official action by the council requires the approval of a majority of the voting members of  
6 the council.

7 (7) The council shall meet at least twice per fiscal year at a place, day and time determined by  
8 the chairperson. The council may also meet at other times and places specified by a call of the  
9 chairperson or by written request of a majority of the voting members of the council.

10 (8) The council may adopt rules necessary for the operation of the council.

11 (9) The council may establish committees and delegate to the committees duties as the council  
12 considers desirable.

13 (10) The Economic and Community Development Department shall provide staff support to the  
14 council.

15 (11) Members of the council who are not members of the Legislative Assembly are entitled to  
16 compensation and expenses incurred by them in the performance of their official duties in the man-  
17 ner and amounts provided for in ORS 292.495. Claims for compensation and expenses of members  
18 of the council who are public officers shall be paid out of funds appropriated to the public agency  
19 that employs the member. Claims for compensation and expenses of members of the council who are  
20 not public officers shall be paid out of funds appropriated to the Economic and Community Devel-  
21 opment Department for that purpose.

22 (12) All agencies of state government, as defined in ORS 174.111, are directed to assist the  
23 council in the performance of its duties and, to the extent permitted by laws relating to  
24 confidentiality, to furnish such information and advice as the members of the council consider nec-  
25 essary to perform their duties.

26 **SECTION 98.** ORS 285A.095 is amended to read:

27 285A.095. (1) When providing funding for a project, for a program or for technical assistance,  
28 the Economic and Community Development Department shall give priority to counties, cities, com-  
29 munities or other geographic areas that are designated as distressed areas by the Economic and  
30 Community Development Department, based on indicators of economic distress or dislocation, in-  
31 cluding but not limited to unemployment, poverty and job loss.

32 (2) Prior to defining or designating distressed areas for the purposes of subsection (1) of this  
33 section, the Economic and Community Development Department shall consult with other state  
34 agencies and with local agencies and officials.

35 (3) The Economic and Community Development Department shall conduct a review of its com-  
36 pliance with subsections (1) and (2) of this section at least once in each year and shall prepare a  
37 report concerning the compliance review. The report shall be incorporated into the [annual]  
38 **biennial** report of the Oregon Economic and Community Development Commission required by ORS  
39 285A.050.

40 **SECTION 99.** ORS 285A.190 is amended to read:

41 285A.190. (1) There is established in the Economic and Community Development Department the  
42 Oregon Coalition Brownfields Cleanup Program.

43 (2) The department may make grants, loans and expenditures from the Oregon Coalition  
44 Brownfields Cleanup Fund to provide financial or other assistance to public and private owners of  
45 eligible brownfield properties for the purpose of cleaning up the properties.

1 (3) An eligible owner of a brownfield property may borrow moneys from the fund by entering  
2 into a loan agreement with the department in accordance with rules adopted by the department.

3 (4) The owner of a publicly owned brownfield property may enter into a loan agreement with  
4 the department notwithstanding any restrictions on indebtedness in the charter or bylaws of the  
5 public body or any other provision of law.

6 (5) The department may adopt rules necessary to carry out the provisions of this section and  
7 ORS 285A.192. The rules shall include, but are not limited to, requirements for eligibility for finan-  
8 cial assistance or other assistance from the program, good and sufficient collateral required to se-  
9 cure loans from the fund and the complete or partial waiver of interest on short-term loans made  
10 from the fund.

11 (6) As used in this section:

12 (a) "Brownfield" has the meaning given that term in [ORS 285A.185] **section 25 of this 2007**  
13 **Act.**

14 (b) "Other assistance" includes, but is not limited to, direct purchase of goods or services re-  
15 lated to brownfields cleanup by the department.

16 (c) "Public body" has the meaning given that term in ORS 174.109.

17 **SECTION 100.** ORS 285B.743 is amended to read:

18 285B.743. (1) Any individual or business firm may file with the Economic and Community De-  
19 velopment Department an application to borrow money from the Oregon Entrepreneurial Develop-  
20 ment Loan Fund as provided in ORS 285B.740 to 285B.758. The application shall be filed in such a  
21 manner and contain or be accompanied by such information as the department may require.

22 (2) Upon receipt of an application under this section, the Economic and Community Development  
23 Department shall determine whether the applicant is eligible to receive a loan under ORS [285B.139  
24 and] 285B.740 to 285B.758. If the department determines that an applicant is not eligible to receive  
25 a loan, the department shall:

26 (a) Reject the application with a written statement of the reason for that rejection; or

27 (b) Require the applicant to submit additional information concerning the application as may be  
28 necessary.

29 **SECTION 101.** ORS 285B.752 is amended to read:

30 285B.752. An applicant who receives an entrepreneurial development loan under ORS 285B.740  
31 to 285B.758 may apply for another such loan. Notwithstanding the limit set forth in ORS 285B.749  
32 (2), the maximum aggregate amount that may be loaned to a single applicant under ORS [285B.139  
33 and] 285B.740 to 285B.758 is \$40,000.

34 **SECTION 102.** ORS 329.115 is amended to read:

35 329.115. (1) Prior to September 30 of each year, the Superintendent of Public Instruction shall  
36 issue an Oregon Report Card on the state of the public schools and progress toward achieving the  
37 goals contained in ORS 329.025 and 329.035.

38 (2) The purpose of the Oregon Report Card is to monitor trends among school districts and  
39 Oregon's progress toward achieving the goals stated in this chapter. The report on the state of the  
40 public schools shall be designed to:

41 (a) Allow educators and local citizens to determine and share successful and unsuccessful school  
42 programs;

43 (b) Allow educators to sustain support for reforms demonstrated to be successful;

44 (c) Recognize schools for their progress and achievements; and

45 (d) Facilitate the use of educational resources and innovations in the most effective manner.

1 (3) The report shall contain, but need not be limited to:

2 (a) Demographic information on public school children in this state.

3 (b) Information pertaining to student achievement, including statewide assessment data, gradu-  
4 ation rates and dropout rates, including progress toward achieving [the] education benchmarks, if  
5 **any**, established by the [Oregon Progress Board] **Economic and Community Development De-**  
6 **partment under ORS 285A.075**, with arrangements by minority groupings where applicable.

7 (c) Information pertaining to special program offerings.

8 (d) Information pertaining to the characteristics of the school and school staff, including as-  
9 signment of teachers, experience of staff and the proportion of minorities and women represented  
10 on the teaching and administrative staff.

11 (e) Budget information, including source and disposition of school district operating funds and  
12 salary data.

13 (f) Examples of exemplary programs, proven practices, programs designed to reduce costs or  
14 other innovations in education being developed by school districts in this state that show improved  
15 student learning.

16 (g) Such other information as the superintendent obtains under ORS 329.105.

17 (4) In the second and subsequent years that the report is issued, the report shall include a  
18 comparison between the current and previous data and an analysis of trends in public education.

19 **SECTION 103.** ORS 329.155 is amended to read:

20 329.155. (1) State agencies that administer education programs and other programs that provide  
21 services for children and families shall:

22 (a) Evaluate the effectiveness of the program as related to the principles stated in ORS 329.025  
23 and 417.305 in the earliest stages of the budget process, including components within programs as  
24 appropriate;

25 (b) Articulate ways in which the program is an effective component of agency and state priori-  
26 ties, goals and strategies, such as those developed by the [Oregon Progress Board] **Economic and**  
27 **Community Development Department under ORS 285A.075**, or to relevant research and profes-  
28 sional standards;

29 (c) Establish plans, interagency partnerships, implementation practices and interactions with  
30 local coordinated comprehensive plans;

31 (d) Utilize the information generated by applicable state advisory groups and by the local plan-  
32 ning process administered by the State Commission on Children and Families in the program as-  
33 sessment of needs and decisions as to service delivery in a given community; and

34 (e) Identify barriers to improving program capability to serve the needs of young children and  
35 related recommendations, if any.

36 (2) The processes listed in subsection (1) of this section are for the purpose of generating  
37 interagency coordination so as to serve to the greatest extent possible young children and their  
38 families in a comprehensive and developmentally appropriate fashion. The information generated by  
39 these processes shall be considered as a contribution to subsequent budget decisions by state and  
40 local agencies, the Oregon Department of Administrative Services and Legislative Assembly, and as  
41 a contribution to the planning and coordination tasks of the State Commission on Children and  
42 Families.

43 **SECTION 104.** ORS 401.808 is amended to read:

44 401.808. The Office of Emergency Management shall distribute quarterly the entire amount of  
45 the moneys in the Emergency Communications Account beginning in June 1982. The office shall pay

1 the following amounts from the account:

2 (1) Administrative costs incurred during the preceding calendar quarter by the Department of  
3 Revenue in carrying out ORS 401.792 to 401.804. The amount paid to the department shall not ex-  
4 ceed one-half of one percent of the amount in the account on the date of distribution, or actual ex-  
5 penses incurred by the department, whichever is less.

6 (2) Administrative costs incurred during the preceding calendar quarter by the Office of Emer-  
7 gency Management in carrying out its duties under ORS 305.823 and 401.710 to 401.816. The amount  
8 paid to the office shall not exceed four percent of the amount in the account on the date of di-  
9 stribution, or actual expenses incurred by the office, whichever is less. The office may provide fund-  
10 ing under this subsection for the Oregon Emergency Response System in an amount not to exceed  
11 15 percent of the legislatively approved budget for the Oregon Emergency Response System. Funding  
12 provided to the Oregon Emergency Response System under this subsection shall be in the manner  
13 prescribed by the office and shall be subject to the availability of funds for such funding.

14 (3) Funds in the Enhanced 9-1-1 Subaccount shall be used to pay for costs incurred during the  
15 preceding calendar quarter for enhanced 9-1-1 telephone service established pursuant to ORS  
16 401.720. Enhanced 9-1-1 subaccount funds shall not be disbursed to a 9-1-1 jurisdiction which does  
17 not have an approved final plan as required in section 7, chapter 743, Oregon Laws 1991. Payments  
18 shall be made only after a reimbursement request has been submitted to the Office of Emergency  
19 Management in the manner prescribed by the office. Reimbursement requests for recurring and  
20 nonrecurring charges necessary to enable the 9-1-1 jurisdiction to comply with ORS 401.720 shall  
21 be submitted directly to the Office of Emergency Management. The costs payable under this section  
22 are only those incurred for:

23 (a) Modification of central office switching and trunking equipment;

24 (b) Network development, operation and maintenance;

25 (c) Database development, operation and maintenance;

26 (d) On-premises equipment procurement, maintenance and replacement;

27 (e) Conversion of pay station telephones required by ORS 401.770;

28 (f) Collection of the tax imposed by ORS 401.792 to 401.804; and

29 (g) Addressing if the reimbursement request is consistent with rules adopted by the office.

30 (4) 9-1-1 jurisdictions who have enhanced 9-1-1 telephone service operational prior to December  
31 31, 1991, shall receive funding based on cost information provided in their final plan required in  
32 section 7, chapter 743, Oregon Laws 1991. Plans submitted which meet the minimum requirements  
33 set forth in ORS 401.720 (2) and (4) shall be approved. Funding for costs incurred prior to the pre-  
34 ceding calendar quarter shall be limited to charges associated with database development, network  
35 and on-premises equipment which satisfy the requirements of ORS 401.720 (2) and (4). Funding under  
36 this section shall be in the manner prescribed by the office and subject to the availability of funds  
37 therefor.

38 (5) 9-1-1 jurisdictions may use funds distributed to the jurisdiction from any account described  
39 in ORS 401.806 to repay loans from the [*Special Public Works*] **Community Investment** Fund if the  
40 loans were used for purposes that are allowable under ORS 401.710 to 401.816.

41 (6) Any amounts remaining in the Enhanced 9-1-1 Subaccount shall be retained by the Office of  
42 Emergency Management and may be distributed in any subsequent quarter for those purposes set  
43 forth in subsections (3), (4) and (5) of this section.

44 (7) The Enhanced 9-1-1 Equipment Replacement Subaccount shall be used by the Office of  
45 Emergency Management to provide funds to replace and upgrade equipment to carry out the pro-

1 visions of ORS 401.710 to 401.816. If at any time unexpended and unobligated balances in the sub-  
2 account exceed \$500,000, such excess amount shall be transferred and credited to the Emergency  
3 Communications Account and shall be used for the purposes otherwise provided by law.

4 (8) The office shall review reimbursement requests for modification of central office switching  
5 and trunking equipment, conversion of pay station telephones, and network development, operation  
6 and maintenance costs necessary to comply with ORS 401.720 for the appropriateness of the costs  
7 claimed. The office shall approve or disapprove the reimbursement requests.

8 (9) The office shall review reimbursement requests for database development, operation and  
9 maintenance, and on-premises equipment procurement, maintenance and replacement costs necessary  
10 to comply with ORS 401.720 for the appropriateness of the costs claimed.

11 (10) After all amounts under subsections (1) and (2) of this section and ORS 401.806 (2) and (3)  
12 have been paid, the balance of the Emergency Communications Account shall be distributed to cities  
13 on a per capita basis and to counties on a per capita basis of each county's unincorporated area,  
14 for distribution to 9-1-1 jurisdictions within the city or county, but each county shall receive a  
15 minimum of one percent of the balance of the account after the amounts under subsections (1) and  
16 (2) of this section and ORS 401.806 (2) and (3) have been paid. A 9-1-1 jurisdiction whose 9-1-1 service  
17 area includes more than one city or county shall receive funds from each city or county involved.

18 (11) Notwithstanding subsection (10) of this section, a city or county may have its quarterly  
19 distribution made payable and sent to the 9-1-1 jurisdiction responsible for providing the services  
20 required in ORS 401.720.

21 (12) 9-1-1 jurisdictions shall submit an accounting report to the office annually. The report shall  
22 be provided in the manner prescribed by the office, and shall include but not be limited to:

23 (a) Funds received and expended under subsection (10) or (11) of this section for the purposes  
24 of fulfilling the requirements of ORS 401.720;

25 (b) Local funds received and expended for the purposes of fulfilling the requirements of ORS  
26 401.720; and

27 (c) Local funds received and expended for the purposes of providing emergency communications  
28 services.

29 **SECTION 105.** ORS 417.705 is amended to read:

30 417.705. As used in ORS 417.705 to 417.801:

31 (1) "Community mobilization" means government and private efforts to increase community  
32 awareness and facilitate the active participation of citizens and organizations in projects and issues  
33 that will have positive impact on the well-being of children, families and communities.

34 (2) "Efficiency" means a measurable indicator of the amount of resources required to produce  
35 an output.

36 (3) "High-level outcome" means the Oregon benchmarks, **if any**, adopted by the [*Oregon*  
37 *Progress Board*] **Economic and Community Development Department under ORS 285A.075** and  
38 any other measurable indicators of societal well-being.

39 (4) "Intermediate outcome" means a measurable indicator of the effort by an agency or other  
40 entity toward achieving a high-level outcome target.

41 (5) "Local commission" means a local commission on children and families established pursuant  
42 to ORS 417.760.

43 (6) "Local coordinated comprehensive plan" or "local plan" means a local coordinated compre-  
44 hensive plan for children and families that is developed pursuant to ORS 417.775 through a process  
45 coordinated and led by a local commission and that consists of:

1 (a) A community plan that identifies the community's needs, strengths, goals, priorities and  
2 strategies for:

3 (A) Creating positive outcomes for children and families;

4 (B) Community mobilization;

5 (C) Coordinating programs, strategies and services for children who are 0 through 18 years of  
6 age and their families among community groups, government agencies, private providers and other  
7 parties; and

8 (D) Addressing the needs of target populations; and

9 (b) The service plans listed in ORS 417.775 (6) that designate specific services for the target  
10 populations identified in the community plan.

11 (7) "Outcome" means the measure of a desired result.

12 (8) "Output" means the amount or frequency of products or services delivered by an agency or  
13 other entity.

14 (9) "Performance measure" includes outcomes, outputs and efficiencies that indicate how well  
15 an agency or other entity is carrying out its mission and achieving its goals.

16 (10) "Services for children and families" does not include services provided by the Department  
17 of Education or school districts that are related to curriculum or instructional programs.

18 (11) "State commission" means the State Commission on Children and Families established under  
19 ORS 417.730.

20 (12) "Target" means a specific level of achievement desired for a specific time, expressed nu-  
21 merically.

22 **SECTION 106.** ORS 417.797 is amended to read:

23 417.797. (1) Each state agency or other entity that is responsible for a component of the local  
24 coordinated comprehensive plan shall ensure that a biennial evaluation of the plan component is  
25 conducted according to a consistent framework. The program evaluation shall include:

26 (a) An identified goal and associated Oregon benchmarks;

27 (b) Proven practices of effectiveness and related Oregon data;

28 (c) A target population and a description of local service systems that may be used in identify-  
29 ing, screening, recruiting and serving the target population;

30 (d) Specific intermediate outcomes that measure progress in addressing risk contributors or de-  
31 veloping core supports and competencies and specific tools and data sources to measure the inter-  
32 mediate outcomes;

33 (e) Baseline data about the incidence of risk and asset and support factors with the goal of  
34 measuring change over time, including an assessment of local need;

35 (f) Measures of fiscal accountability;

36 (g) Identified roles and responsibilities for state agencies and local partners and performance  
37 measures to evaluate effectiveness in agreed-upon roles; and

38 (h) Measures of the change in coordination among service providers and programs as a result  
39 of the local plan, including increases in access to services.

40 (2) The State Commission on Children and Families shall disclose the results of the evaluations  
41 to any person upon request.

42 (3) The [*Oregon Progress Board*] **Economic and Community Development Department** shall  
43 conduct a review of the intermediate outcome targets achieved by local coordinated comprehensive  
44 plans in accordance with ORS 417.735 (3)(c) for the purpose of identifying progress in achieving  
45 outcomes specified in local plans. The [*Oregon Progress Board*] **department** shall coordinate the

1 review with the evaluations conducted according to subsection (1) of this section.

2 **SECTION 107.** ORS 461.540 is amended to read:

3 461.540. (1) There hereby is established in the General Fund of the State Treasury the Admin-  
4 istrative Services Economic Development Fund. All moneys transferred from the State Lottery Fund,  
5 interest earnings credited to this fund and other moneys authorized to be transferred to this fund  
6 from whatever source are appropriated continuously for any of the following public purposes:

- 7 (a) Creating jobs;
- 8 (b) Furthering economic development in Oregon; or
- 9 (c) Financing public education.

10 (2) Moneys shall be transferred from the Administrative Services Economic Development Fund  
11 to the Education Stability Fund established under ORS 348.696 as described in section 4, Article XV  
12 of the Oregon Constitution.

13 (3) As used in this section and section 4, Article XV of the Oregon Constitution:

14 (a) "Creating jobs" includes, but is not limited to:

- 15 (A) Supporting the creation of new jobs in Oregon;
- 16 (B) Helping prevent the loss of existing jobs in Oregon;
- 17 (C) Assisting with work transition to new jobs in Oregon; or
- 18 (D) Training or retraining workers.

19 (b) "Education" includes, but is not limited to, the Education Stability Fund established under  
20 ORS 348.696 and specific programs that support the following:

- 21 (A) Prekindergartens;
- 22 (B) Elementary and secondary schools;
- 23 (C) Community colleges;
- 24 (D) Higher education;
- 25 (E) Continuing education;
- 26 (F) Workforce training and education programs; or
- 27 (G) Financial assistance to Oregon students.

28 (c) "Furthering economic development" includes, but is not limited to, providing:

29 (A) Services or financial assistance to for-profit and nonprofit businesses located or to be lo-  
30 cated in Oregon;

31 (B) Services or financial assistance to business or industry associations to promote, expand or  
32 prevent the decline of their businesses; or

33 (C) Services or financial assistance for facilities, physical environments or development  
34 projects[, *as defined in ORS 285B.410,*] that benefit Oregon's economy.

35 **SECTION 108.** ORS 468B.415 is amended to read:

36 468B.415. (1) There is established a safety committee for the Oregon coast. A subcommittee shall  
37 be appointed for Coos Bay and Yaquina Bay. In addition, the Department of Environmental Quality  
38 also shall consult with the State of Washington to establish a joint regional safety committee for the  
39 Columbia River and may appoint a subcommittee for the Willamette River. The safety committee  
40 shall operate under the direction of the Economic and Community Development Department [*pur-*  
41 *suant to ORS 285A.615*].

42 (2) Each committee shall consist of not more than 11 members, appointed by the Director of the  
43 Economic and Community Development Department in consultation with the Director of the De-  
44 partment of Environmental Quality. At a minimum, the following groups should be considered for  
45 representation on the committees:

- 1 (a) Local port authorities;
- 2 (b) Tank vessel operators;
- 3 (c) Tug and barge operators;
- 4 (d) Pilots' organizations;
- 5 (e) Cargo vessel operators;
- 6 (f) Commercial fishermen;
- 7 (g) Pleasure boat operators;
- 8 (h) Environmental organizations;
- 9 (i) Local planning authorities; and
- 10 (j) The public at large.

11 (3) The members shall be appointed to the safety committee for a term of four years. The Di-  
 12 rector of the Economic and Community Development Department in consultation with the Director  
 13 of the Department of Environmental Quality shall appoint the chairperson of each committee to  
 14 serve a term of four years.

15 (4) A majority of the members shall constitute a quorum for the transaction of business.

16 (5) The duties of the safety committees shall include but are not limited to:

- 17 (a) Planning for safe navigation and operation of covered vessels within each harbor;
- 18 (b) Developing safety plans;
- 19 (c) Reviewing and making recommendations to the Oregon Board of Maritime Pilots, ports and  
 20 the United States Coast Guard on the following:

21 (A) Pilotage requirements for all single boiler or single engine and single screw tank vessels  
 22 carrying oil in pilotage grounds;

23 (B) Reducing deadweight tonnage specifications for pilotage service for vessels carrying oil;

24 (C) Guidelines for tugs on tank vessels for tow cable size and material specifications, cable  
 25 maintenance practices, cable handling equipment design and barge recovery plan preparation;

26 (D) Establishing regional speed limits, based on escort vehicle limitations, for all tank vessels  
 27 in inland navigable waters and critical approaches to inland navigable waters;

28 (E) Requiring towing systems and plans on all tank vessels carrying oil; and

29 (F) The feasibility of establishing a pilot program for a near-miss reporting system that is coor-  
 30 dinated with vessel inspection information compiled as a result of inspections under ORS 468B.370  
 31 and 468B.375.

32 (6) Members of the safety committees established under this section are entitled to compensation  
 33 and expenses as provided in ORS 292.495.

34 (7) The Department of Environmental Quality shall serve in an advisory capacity to the safety  
 35 committees and review the safety plans. In addition, the United States Coast Guard shall be invited  
 36 to also act in an advisory capacity to the safety committees and may participate in the review of  
 37 safety plans.

38 **SECTION 109.** ORS 576.768 is amended to read:

39 576.768. (1) The report submitted by the Oregon Wine Board under ORS 182.472 must include a  
 40 description of the long term strategic plan created by the board and a description of the progress  
 41 made in implementing the statewide strategic objectives of the board during the most recent  
 42 biennium.

43 (2) Notwithstanding ORS 182.462:

44 (a) The board shall prepare and submit annual plans and a budget recommended by the board  
 45 for promotion and for research during the next fiscal year.



1 (b) The board shall adopt rules specifying the procedures, criteria and timelines for the prepa-  
 2 ration and approval of the annual plans and budget for promotion and for research.

3 (c) The Director of the Economic and Community Development Department shall review the  
 4 budget and plans submitted under this section. In reviewing the annual plans and budget, the di-  
 5 rector shall consider whether the information supplied by the board is factual and consistent with  
 6 ORS 576.750 to 576.775 and the positive development of the Oregon wine grape growing and wine  
 7 making industries. The director shall either approve the budget and plans prior to the commence-  
 8 ment of the next fiscal year or disapprove and return the budget and plans to the board with con-  
 9 ditions necessary for approval prior to the commencement of the next fiscal year. In reviewing the  
 10 budget and plans, the director may consult with and receive coordinated support from:

- 11 (A) The State Department of Agriculture;
- 12 (B) The [*Oregon Tourism Commission*] **Economic and Community Development Department**;
- 13 (C) The Department of Higher Education;
- 14 (D) The Department of Community Colleges and Workforce Development; and
- 15 (E) The Oregon Liquor Control Commission.

16  
 17 **MISCELLANEOUS PROVISIONS**

18  
 19 **SECTION 110. The unit captions used in this 2007 Act are provided for the convenience**  
 20 **of the reader and do not become part of the statutory law of this state or express any leg-**  
 21 **islative intent in the enactment of this 2007 Act.**

22 **SECTION 111. ORS 285A.125, 285A.131, 285A.133, 285A.136, 285A.139, 285A.141, 285A.150,**  
 23 **285A.153, 285A.156, 285A.159, 285A.162, 285A.165, 285A.168, 285A.170, 285A.174, 285A.185,**  
 24 **285A.188, 285A.203, 285A.209, 285A.255, 285A.258, 285A.261, 285A.264, 285A.267, 285A.269,**  
 25 **285A.271, 285A.272, 285A.274, 285A.277, 285A.279, 285A.282, 285A.288, 285A.600, 285A.603,**  
 26 **285A.606, 285A.609, 285A.612, 285A.615, 285A.618, 285A.624, 285A.627, 285A.630, 285A.633,**  
 27 **285A.654, 285A.657, 285A.660, 285A.666, 285A.669, 285A.672, 285A.675, 285A.678, 285A.681,**  
 28 **285A.684, 285A.687, 285A.690, 285A.693, 285A.696, 285A.699, 285A.702, 285A.705, 285A.708,**  
 29 **285A.709, 285A.711, 285A.732, 285B.071, 285B.074, 285B.077, 285B.095, 285B.139, 285B.144,**  
 30 **285B.150, 285B.159, 285B.162, 285B.166, 285B.183, 285B.212, 285B.254, 285B.257, 285B.332,**  
 31 **285B.410, 285B.413, 285B.419, 285B.422, 285B.428, 285B.437, 285B.440, 285B.449, 285B.455,**  
 32 **285B.458, 285B.460, 285B.462, 285B.465, 285B.467, 285B.470, 285B.473, 285B.476, 285B.479,**  
 33 **285B.482, 285B.560, 285B.563, 285B.566, 285B.569, 285B.572, 285B.575, 285B.578, 285B.581,**  
 34 **285B.584, 285B.587, 285B.590, 285B.593, 285B.596, 285B.599 and 285B.755 are repealed.**

35 **SECTION 112. Sections 23 to 38, 47 and 69 of this 2007 Act, the amendments to statutes**  
 36 **by sections 1 to 9, 13 to 22, 39 to 46, 48 to 68 and 70 to 109 of this 2007 Act and the repeal**  
 37 **of statutes by section 111 of this 2007 Act become operative on January 1, 2008.**

38 **SECTION 113. This 2007 Act being necessary for the immediate preservation of the public**  
 39 **peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect**  
 40 **on its passage.**