

A-Engrossed
House Bill 2434

Ordered by the House March 24
Including House Amendments dated March 24

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber, M.D., for Oregon Business Development Department)

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.

Directs Oregon Business Development Department to establish and administer Natural Resource Transformative Technology Grant Program for purpose of providing grants to assist Oregon's businesses and research institutions to invest in and commercialize transformative natural resource technologies in this state.

Establishes Natural Resource Transformative Technology Grant Program Fund and appropriates moneys in fund to department.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to natural resource innovation; and declaring an emergency.

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

4 **SECTION 1. The Legislative Assembly finds that:**

5 (1) **Oregon's rural economy is based primarily on natural resource industries, many of**
6 **which offer innovative technologies and approaches to traditional practices for dealing with**
7 **natural resources, such as forest and wood products, agriculture, food processing, mining**
8 **and mineral products.**

9 (2) **Oregon is witnessing a growth in agricultural and food products exported in both**
10 **global and domestic markets, a trend that is being recognized by capital markets and inves-**
11 **tors.**

12 (3) **There has been a decline in mills and mill access to Oregon forests since the early**
13 **1980s with no likely reversal of this trend in the foreseeable future. As fire costs become a**
14 **major share of state and federal agencies' budgets, new forestry harvest models have been**
15 **developed, with opportunities for timber and wood industries to create new markets and de-**
16 **mand for wood products internationally and domestically.**

17 (4) **Oregon has vast mineral resources. Technology advancements and innovations in**
18 **mining techniques and manufacturing, coupled with Oregon's unique reclamation efforts,**
19 **have greatly reduced the environmental impacts from obtaining these minerals. Oregon's**
20 **mineral resources, and the products and building materials derived from them, have the po-**
21 **tential to expand and support the economic base of Oregon's rural and eastern counties.**

22 (5) **The State of Oregon has a significant interest in supporting a targeted and proactive**
23 **innovation strategy for the state's natural resources.**

24 (6) **Implementation and administration of the Natural Resource Transformative Tech-**
25 **nology Grant Program established under section 3 of this 2015 Act will further economic**

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

1 development by facilitating the development of natural resource industries and technologies,
2 and encouraging quality job growth, in Oregon.

3 **SECTION 2.** As used in sections 1 to 4 of this 2015 Act:

4 (1) “Program” means the Natural Resource Transformative Technology Grant Program
5 established under section 3 of this 2015 Act.

6 (2) “Research institution” has the meaning given that term in ORS 284.701.

7 **SECTION 3.** (1) The Oregon Business Development Department shall establish and ad-
8 minister the Natural Resource Transformative Technology Grant Program. The purpose of
9 the program is to provide grants on a competitive basis to assist Oregon’s businesses and
10 research institutions to invest in and commercialize transformative natural resource tech-
11 nologies in this state.

12 (2)(a) The Oregon Business Development Department shall consult with the office of the
13 Governor, the State Forestry Department, the State Department of Agriculture, the Re-
14 gional Solutions Program established under section 3, chapter 82, Oregon Laws 2014, and the
15 State Department of Geology and Mineral Industries in the implementation and adminis-
16 tration of the program.

17 (b) The Oregon Business Development Department may appoint an advisory committee
18 to advise the department with respect to rules, policies and procedures to implement and
19 administer the program, and to identify qualified applicants and eligible projects for grant
20 funds under this section.

21 (3) The Oregon Business Development Department may award grants to successful ap-
22 plicants based upon the extent to which the goals and objectives of the applicant’s business
23 and research development plan encompass and demonstrate the following:

24 (a) The facilitation of science and research that identifies new applications and product
25 opportunities including, but not limited to, applications and opportunities for engineered
26 wood products, products made from wood fiber, new crops, fiber or biomass from agricultural
27 production, and products derived from Oregon’s mineral resources;

28 (b) Product testing for commercialization and product enhancement including, but not
29 limited to, product testing of precision agriculture technologies such as drip irrigation, sen-
30 sor technologies, unmanned aerial vehicles and traceability technology;

31 (c) Research, development and pilot projects with respect to materials and buildings that
32 make innovative uses of Oregon’s natural resources; and

33 (d) Commercialization, opportunities and technologies involving renewables and wood
34 biomass potential.

35 (4) Individuals, for-profit and nonprofit businesses, research institutions and Oregon-
36 based foundations may apply to participate in the program by submitting an application in
37 writing in a form prescribed by the Oregon Business Development Department by rule.

38 (5)(a) The Oregon Business Development Department shall establish by rule criteria and
39 standards for successful applicants for grants that are available through the program. At a
40 minimum, an applicant must:

41 (A) Submit a detailed business and research development plan;

42 (B) Provide proof of initial viability of the project contained in the business and research
43 development plan; and

44 (C) Demonstrate that the applicant is able to provide the type and amount of required
45 match.

1 (b) In determining eligibility of a project for a grant under this section, the department
2 shall give consideration to the extent to which an applicant can demonstrate that committed
3 funds for the project are available from Oregon-based foundations, local communities and
4 governments, the federal government or business and industry partners.

5 (6) Nothing in this section constitutes a general preference for a particular technology,
6 material or product in public contracting.

7 (7) The Oregon Business Development Department shall establish by rule the type and
8 amount of each grant available through the program, and the type and amount of any re-
9 quired match.

10 (8) The Oregon Business Development Department shall collaborate with the Regional
11 Solutions Program established under section 3, chapter 82, Oregon Laws 2014, to identify
12 qualified applicants and eligible projects for grant funds that are available under the pro-
13 gram.

14 (9) The Oregon Business Development Department may solicit and accept contributions,
15 donations, funds and assistance from the federal government and its agencies or from other
16 sources, public or private, and agree to conditions not inconsistent with the purposes of
17 sections 1 to 4 of this 2015 Act. All funds received are to be deposited into the Natural Re-
18 source Transformative Technology Grant Program Fund established under section 4 of this
19 2015 Act and used for the purposes designated in section 4 of this 2015 Act.

20 SECTION 4. The Natural Resource Transformative Technology Grant Program Fund is
21 established in the State Treasury, separate and distinct from the General Fund. The Natural
22 Resource Transformative Technology Grant Program Fund consists of moneys appropriated,
23 allocated, deposited or transferred to the fund by the Legislative Assembly or otherwise and
24 interest earned on moneys in the fund. Amounts in the fund are continuously appropriated
25 to the Oregon Business Development Department for the purposes of making grants under
26 section 3 of this 2015 Act and implementing and administering sections 1 to 4 of this 2015
27 Act. Interest earned on the fund shall be deposited into the fund.

28 SECTION 5. In addition to and not in lieu of any other appropriation, there is appropri-
29 ated to the Oregon Business Development Department, for the biennium beginning July 1,
30 2015, out of the General Fund, the amount of \$_____, for the purpose of making grants,
31 and implementing and facilitating the provisions of sections 1 to 4 of this 2015 Act.

32 SECTION 6. This 2015 Act being necessary for the immediate preservation of the public
33 peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect
34 on its passage.

35 _____