

A-Engrossed
House Bill 2998

Ordered by the House March 30
Including House Amendments dated March 30

Sponsored by Representative READ, Senators HANSELL, ROBLAN, Representatives HOYLE, PARRISH, SMITH; Representatives BARRETO, BENTZ, BUEHLER, CLEM, DAVIS, ESQUIVEL, FREDERICK, GOMBERG, GORSEK, HACK, HELM, HUFFMAN, JOHNSON, MCKEOWN, MCLAIN, NEARMAN, OLSON, POST, REARDON, WHISNANT, WHITSETT, WILSON, WITT, Senators BAERTSCHIGER JR, DEMBROW, EDWARDS, FERRIOLI, GIROD, KNOPP, KRUSE, THOMSEN, WHITSETT, WINTERS

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.

[Requires Oregon Business Development Department to establish programs for providing economic development assistance to persons engaged in business of western juniper harvesting or of manufacturing products from western juniper, for providing technical business assistance to western juniper harvesting and related manufacturing businesses, for providing or funding workforce training assistance for potential western juniper harvesting and related manufacturing business workers and for mapping and identification of high quality marketable stands of western juniper.]

[Establishes Western Juniper Industry Fund. Appropriates moneys from General Fund to Western Juniper Industry Fund for purposes of newly established programs for western juniper harvesting and related manufacturing businesses during 2015-2017 biennium.]

[Declares western juniper harvesting to be activity promoting farm use of land. Provides for western juniper harvesting and connected activities to be regulated by State Department of Agriculture as agricultural activity instead of being regulated as forestry activity. Requires State Department of Agriculture to establish regulatory program for western juniper harvesting and connected activities.]

Requires Oregon Business Development Department to provide economic development assistance to persons engaged in business of western juniper harvesting or of manufacturing products from western juniper, provide technical business assistance to western juniper harvesting and related manufacturing businesses and provide or fund workforce training assistance for potential western juniper harvesting and related manufacturing business workers.

Requires Institute for Natural Resources to identify and map high quality marketable stands of western juniper.

Establishes Western Juniper Industry Fund. Appropriates moneys from General Fund to Western Juniper Industry Fund for use by department in carrying out activities regarding western juniper harvesting and related manufacturing businesses during 2015-2017 biennium.

Appropriates moneys to Higher Education Coordinating Commission for use by institute in carrying out western juniper stand identification and mapping activities during 2015-2017 biennium.

Declares emergency, effective July 1, 2015.

A BILL FOR AN ACT

Relating to western juniper; and declaring an emergency.

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

SECTION 1. As used in sections 2 to 5 of this 2015 Act:

(1) "Business development project" has the meaning given that term in ORS 285B.050.

(2) "Western juniper" means trees of the species *Juniperus occidentalis*.

SECTION 2. (1) The Oregon Business Development Department shall provide economic development assistance to persons engaged in the business of western juniper harvesting or of manufacturing products from western juniper. The department may provide the economic development assistance for any western juniper harvesting or related manufacturing busi-

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 **ness development project that the department deems reasonable, including but not limited**
2 **to the provision of moneys for business or infrastructure expansion and the hiring or re-**
3 **tion of workers.**

4 **(2) The department shall provide economic development assistance under this section as**
5 **either a loan or a grant. If the department provides the economic development assistance**
6 **as a loan, the department shall make the loan subject to partial or full forgiveness if the**
7 **borrower meets detailed performance measures. Subject to subsection (5) of this section, the**
8 **department may provide both loans and grants to a person to meet business development**
9 **project needs for the western juniper harvesting or related manufacturing business of the**
10 **person.**

11 **(3) An application for economic development assistance under this section must:**

12 **(a) Be submitted as a loan application in a form acceptable to the department; and**

13 **(b) Contain a business development project plan.**

14 **(4)(a) The department may issue a loan under this section only if the business develop-**
15 **ment project plan contained in the loan application demonstrates to the satisfaction of the**
16 **department that:**

17 **(A) The project is feasible and reasonable from a practical and economic standpoint;**

18 **(B) The project is unlikely to be developed without economic development assistance**
19 **from the department; and**

20 **(C) The western juniper harvesting or related manufacturing business will have a rea-**
21 **sonable prospect of meeting performance measures required by the department.**

22 **(b) A loan made under this section may be interest-bearing or interest-free and may be**
23 **secured by any assets or revenues agreed to by the department and the borrower.**

24 **(c) The department may establish detailed performance measures that, if met by the**
25 **borrower, may result in all or part of the loan being forgiven. The performance measures**
26 **may include, but need not be limited to, employment figures, payroll amounts, sales, limita-**
27 **tions on expenses and the amounts of western juniper harvested or otherwise removed from**
28 **lands in this state due to the business. A loan made under this section must require the**
29 **borrower to repay the loan if the western juniper harvesting or related manufacturing busi-**
30 **ness fails to meet required performance measures.**

31 **(5) The department may issue a grant under this section only if a loan application is**
32 **submitted under subsection (3) of this section and the department determines that the re-**
33 **payment of a loan for a needed business development project would create an undue hardship**
34 **that would impair the viability of the western juniper harvesting or related manufacturing**
35 **business. The department may use a grant issued in accordance with this subsection to**
36 **supplement or replace economic development assistance that the department provides as a**
37 **loan under this section.**

38 **(6) Loans and grants authorized under this section shall be made from the Western**
39 **Juniper Industry Fund established under section 6 of this 2015 Act. Any principal and inter-**
40 **est paid to the department by a borrower on a loan made under this section shall be depos-**
41 **ited in the fund.**

42 **SECTION 3. The Oregon Business Development Department shall make technical busi-**
43 **ness assistance available to persons engaged in, or proposing to engage in, the business of**
44 **western juniper harvesting or of manufacturing products from western juniper. The depart-**
45 **ment shall make the assistance available to support the creation, growth or development of**

1 a western juniper harvesting or related manufacturing business, including but not limited to
2 assistance designed to improve business efficiency, stability, transparency and profitability.
3 The assistance may be in standardized or customized form. The department may provide
4 technical business assistance directly or may enter into personal service contracts for qual-
5 ified providers to render the assistance.

6 **SECTION 4.** (1) The Oregon Business Development Department shall provide, or shall
7 partially or fully fund the provision of, workforce training assistance to persons engaged in
8 the business of western juniper harvesting or of manufacturing products from western
9 juniper. The department shall provide or fund the training assistance to support the growth
10 and development of a western juniper harvesting or related manufacturing business, includ-
11 ing but not limited to supporting business by qualifying workers in harvesting, commercial
12 driving and milling. The training assistance may be in standardized or customized form. If
13 the department provides training assistance under this subsection or as part of a cooperative
14 agreement under subsection (2) of this section, the department may provide the assistance
15 directly or may enter into personal service contracts for qualified providers to render the
16 assistance.

17 (2) The department shall give preference to creating basic worker skills, but may also
18 provide or fund training to assist in the maintenance or advancement of worker skills to
19 ensure the viability of western juniper harvesting or related manufacturing businesses in
20 this state. The department, the Employment Department, local governments as defined in
21 ORS 174.116, nonprofit organizations and private associations may enter into cooperative
22 agreements for:

23 (a) Identifying the projected workforce needs of western juniper harvesting or related
24 manufacturing businesses, potential workers for those businesses and the training needs of
25 those potential workers; and

26 (b) Providing workforce training assistance to meet the needs described in paragraph (a)
27 of this subsection.

28 (3) Workforce training assistance described in this section must be designed to increase
29 the likelihood that individuals in the local areas near western juniper harvesting or related
30 manufacturing businesses will have the necessary skill sets to obtain work in those busi-
31 nesses. The Oregon Business Development Department may give training assistance prefer-
32 ence to individuals in the local areas who are unemployed.

33 **SECTION 5.** The Institute for Natural Resources, in consultation with the State Forestry
34 Department, the State Department of Agriculture and the State Department of Fish and
35 Wildlife and individuals and organizations interested in management, marketing or research
36 matters related to western juniper harvesting, shall identify and map high quality
37 marketable stands of western juniper that can be harvested in a commercially and environ-
38 mentally reasonable manner for use in manufacturing. The institute shall maximize the use
39 of remote sensing technology to carry out the mapping and identification. To the extent
40 practicable, the institute shall make use of information developed from other state efforts
41 to map western juniper and associated landscape scale restoration and wildlife initiatives.
42 The institute shall make the mapping and identification information available without charge
43 for use by persons engaged in the business of western juniper harvesting or of manufacturing
44 products from western juniper. The institute may periodically review and update the infor-
45 mation.

1 **SECTION 6.** The Western Juniper Industry Fund is established in the State Treasury,
2 separate and distinct from the General Fund. Interest earned by the Western Juniper In-
3 dustry Fund shall be credited to the fund. The fund shall consist of any moneys appropriated,
4 allocated, deposited or transferred to the fund by the Legislative Assembly or otherwise.
5 Moneys in the fund are continuously appropriated to the Oregon Business Development De-
6 partment for the purpose of carrying out activities under sections 2, 3 and 4 of this 2015 Act.
7 Any moneys deposited in the fund for the purpose of carrying out a particular activity shall
8 be kept in a separate subaccount of the fund and accounted for separately.

9 **SECTION 7.** In addition to and not in lieu of any other appropriation, there is appropri-
10 ated to the Oregon Business Development Department for deposit in the Western Juniper
11 Industry Fund, for the biennium beginning July 1, 2015, out of the General Fund, the amount
12 of \$800,000, which may be expended by the department as follows:

- 13 (1) \$500,000 for carrying out activities under section 2 of this 2015 Act.
14 (2) \$200,000 for carrying out activities under section 3 of this 2015 Act.
15 (3) \$100,000 for carrying out activities under section 4 of this 2015 Act.

16 **SECTION 8.** In addition to and not in lieu of any other appropriation, there is appropri-
17 ated to the Higher Education Coordinating Commission, for the biennium beginning July 1,
18 2015, out of the General Fund, the amount of \$100,000, which may be expended to allow In-
19 stitute of Natural Resources personnel at Portland State University to carry out institute
20 activities under section 5 of this 2015 Act.

21 **SECTION 9.** This 2015 Act being necessary for the immediate preservation of the public
22 peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect
23 July 1, 2015.
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