

Requested by Representative KOTEK

**PROPOSED AMENDMENTS TO
HOUSE BILL 2012**

1 On page 1 of the printed bill, delete lines 4 through 25 and delete pages
2 2 through 6 and insert:

3 **“SECTION 1. As used in sections 1 to 8 of this 2017 Act:**

4 **“(1) ‘Eastern Oregon Border Economic Development Region’ or**
5 **‘region,’ as defined in rules adopted by the Eastern Oregon Border**
6 **Economic Development Board in consultation with the Oregon Busi-**
7 **ness Development Department, means that part of the state that:**

8 **“(a) Is within 20 miles of the Oregon border with the State of Idaho,**
9 **and that includes, but is not limited to, the cities of Ontario, Vale and**
10 **Nyssa;**

11 **“(b) Includes Willow Creek and Brogan;**

12 **“(c) Is an area in Oregon that is across the Oregon border from**
13 **Weiser, Idaho; and**

14 **“(d) Is an area southwest of Vale for a distance of 10 miles.**

15 **“(2) ‘Economic development’ means development that:**

16 **“(a) Relates to and supports:**

17 **“(A) The economic health or recovery of the region;**

18 **“(B) Business enterprise and activities in the region; or**

19 **“(C) Development or certification of regionally significant industrial**
20 **sites in the region;**

21 **“(b) Creates jobs or prevents the loss of jobs in the region; or**

1 “(c) Promotes or expands businesses or prevents the decline of
2 businesses located or to be located in the region.

3 “(3) ‘Local governing body’ means either the county court or board
4 of county commissioners of the county.

5 “(4) ‘Local government’ has the meaning given that term in ORS
6 174.116.

7 “(5) ‘Regionally significant industrial site’ has the meaning given
8 that term in ORS 285B.626.

9 “(6) ‘Traded sector’ has the meaning given that term in ORS
10 285A.010.

11 “(7) ‘Workforce development’ means activities or services that as-
12 sist individuals to attain employment, progress along career pathways
13 or establish and maintain businesses and that promote economic de-
14 velopment by making skilled employees more readily available.
15 ‘Workforce development’ includes:

16 “(a) Education, training and apprenticeships;

17 “(b) Labor market analysis;

18 “(c) Employment and reemployment assistance;

19 “(d) Employee recruitment and retention;

20 “(e) Workforce programs that have a primary mission of helping
21 individuals become employed, retain employment, increase wages,
22 progress along career pathways or establish and maintain businesses;
23 and

24 “(f) Convening, coordinating, oversight and evaluation activities
25 and services for business and state workforce agencies.

26 “SECTION 2. (1) The Eastern Oregon Border Economic Develop-
27 ment Board is established to formulate and implement strategies and
28 practices for strategic investment in workforce development and eco-
29 nomic development in the Eastern Oregon Border Economic Develop-
30 ment Region and to make grants or loans to eligible applicants for the

1 purpose of encouraging workforce development and economic devel-
2 opment in the region.

3 “(2) The board shall consist of seven voting members and one non-
4 voting member as follows:

5 “(a) The Governor shall appoint seven voting members from a list
6 of eligible appointees with expertise in traded sector business, educa-
7 tion, workforce development or economic development provided by the
8 local governing bodies within the Eastern Oregon Border Economic
9 Development Region. The Governor shall request an updated list of
10 eligible appointees from the local governing bodies within the region
11 for the purpose of making appointments when vacancies occur.

12 “(b) The Director of the Oregon Business Development Department,
13 or the director’s designee, is an ex officio nonvoting member of the
14 board.

15 “(3) The term of office of each voting member of the board is four
16 years, but a member serves at the pleasure of the Governor. Before
17 the expiration of the term of a voting member, the Governor shall
18 appoint a successor whose term begins on January 1 next following.
19 A member is eligible for reappointment for a total of two consecutive
20 terms. If there is a vacancy for any cause, the Governor shall make
21 an appointment to become immediately effective for the unexpired
22 term.

23 “(4) The Governor shall appoint one voting member of the board
24 as the chairperson.

25 “(5) A voting member of the board is entitled to compensation and
26 expenses as provided in ORS 292.495.

27 “(6) A majority of the voting members of the board constitutes a
28 quorum for the transaction of business.

29 “(7)(a) The board shall meet at least once every three months at a
30 time and place determined by the chairperson. The board also may

1 meet at other times and places specified by the call of the chairperson
2 or of a majority of the members of the board.

3 “(b) Meetings of the board are subject to ORS 192.610 to 192.690
4 governing public meetings and ORS 192.410 to 192.505 governing public
5 records.

6 “(8) The board may establish any advisory or technical committees
7 the board considers necessary to aid and advise the board in the per-
8 formance of its functions. The committees may be continuing or
9 temporary committees. The board shall determine the representation,
10 membership, terms and organization of the committees and shall ap-
11 point the members of the committees.

12 “(9) The Oregon Business Development Department shall provide
13 staff to the board as necessary to allow the board to carry out the
14 board’s responsibilities under sections 1 to 8 of this 2017 Act. The de-
15 partment may contract with a third party to provide staff to the board
16 under this subsection, provided that the third party remains subject
17 to the direction and control of the department.

18 **“SECTION 3.** Notwithstanding the term of office specified by sec-
19 tion 2 of this 2017 Act, of the voting members first appointed to the
20 board:

21 “(1) Two shall serve for a term ending December 31, 2018.

22 “(2) Two shall serve for a term ending December 31, 2019.

23 “(3) Two shall serve for a term ending December 31, 2020.

24 “(4) One shall serve for a term ending December 31, 2021.

25 **“SECTION 4.** The Eastern Oregon Border Economic Development
26 Board, in collaboration with and with the assistance of the Oregon
27 Business Development Department, has the following duties, functions
28 and powers:

29 “(1) To identify policies and strategies that will:

30 “(a) Promote workforce and economic growth;

1 **“(b) Facilitate development or prevent decline of regionally signif-**
2 **icant industrial sites;**

3 **“(c) Create or maintain jobs in the Eastern Oregon Border Eco-**
4 **nomi Development Region; and**

5 **“(d) Improve access to career and technical education, workforce**
6 **training programs and higher education to enhance the availability of**
7 **a qualified workforce for employers in the region.**

8 **“(2) To make recommendations to the Legislative Assembly for**
9 **policies and strategies that improve the availability of career and**
10 **technical education, workforce training programs and higher educa-**
11 **tion for the purpose of improving the availability of a qualified**
12 **workforce for employers in the Eastern Oregon Border Economic De-**
13 **velopment Region.**

14 **“(3) To identify specific laws, rules and regulations that place spe-**
15 **cific workforce development or economic development efforts in the**
16 **Eastern Oregon Border Economic Development Region at a competi-**
17 **tive disadvantage to the same type of efforts in the areas across the**
18 **Oregon border as described in section 5 of this 2017 Act.**

19 **“(4) Subject to the availability of funds in the Eastern Oregon**
20 **Border Economic Development Board Fund, to make grants or loans**
21 **to qualified applicants pursuant to section 6 of this 2017 Act, not to**
22 **exceed a total of 10 active grants at any one time.**

23 **“(5) To establish a means to evaluate grants or loans made by the**
24 **board and the department, including, but not limited to, the number**
25 **of businesses or regionally significant industrial sites assisted, the**
26 **types and amount of resources leveraged, return on investment crite-**
27 **ria, performance and outcome measures and methods to evaluate the**
28 **impact on jobs and wages in the area of the Eastern Oregon Border**
29 **Economic Development Region to which grant or loan moneys were**
30 **applied or utilized.**

1 **“(6) To facilitate collaboration among employers, local govern-**
2 **ments, state agencies and stakeholders for the purpose of enhancing**
3 **and expanding workforce development and economic development in**
4 **the region.**

5 **“(7) To consult with affected school districts, community colleges**
6 **and universities and the Employment Department in identifying poli-**
7 **cies and strategies that will enhance and promote workforce develop-**
8 **ment to improve the availability of a qualified workforce for employers**
9 **in the Eastern Oregon Border Economic Development Region.**

10 **“(8) To report annually on or before December 31 of each year to**
11 **standing and interim committees of the Legislative Assembly related**
12 **to business and economic development regarding implementation and**
13 **administration of the Eastern Oregon Border Economic Development**
14 **Board and grants or loans made by the board and the Oregon Business**
15 **Development Department pursuant to section 6 of this 2017 Act. The**
16 **report may include recommendations regarding proposed legislation**
17 **and strategies to improve workforce development and economic de-**
18 **velopment in the region.**

19 **“SECTION 5. (1) The Eastern Oregon Border Economic Develop-**
20 **ment Board may identify specific laws, rules and regulations that re-**
21 **peatedly place specific workforce development or economic**
22 **development efforts in the Eastern Oregon Border Economic Develop-**
23 **ment Region at a competitive disadvantage to the same type of efforts**
24 **in the areas across the Oregon border. Upon identifying a specific law,**
25 **rule or regulation, the board:**

26 **“(a) May recommend to the agency, board or commission that im-**
27 **poses such a law, rule or regulation that the agency, board or com-**
28 **mission consider an exception or waiver to the law, rule or regulation,**
29 **where permitted by law, to assist in workforce development and eco-**
30 **nomic development efforts in the region. Within 60 days of receiving**

1 a recommendation from the Eastern Oregon Border Economic Devel-
2 opment Board under this paragraph, the agency, board or commission
3 shall review the recommendation and hold a public hearing in the re-
4 gion or otherwise consider information from the public and
5 stakeholder entities to determine whether:

6 “(A) The law, rule or regulation has posed a repeated disadvantage
7 to workforce development and economic development in the region in
8 the last five years compared to comparable laws, rules or regulations
9 applied in Idaho; and

10 “(B) An exception or waiver to the specific law, rule or regulation
11 can be made for the purpose of furthering workforce development or
12 economic development in the Eastern Oregon Border Economic De-
13 velopment Region.

14 “(b) If the agency, board or commission determines that an excep-
15 tion or waiver may not be made under paragraph (a) of this sub-
16 section, may recommend to the agency, board or commission or to the
17 Legislative Assembly that a specific exception or waiver be allowed for
18 the purpose of workforce development or economic development in the
19 region.

20 “(2) The Eastern Oregon Border Economic Development Board may
21 not recommend an exception or waiver to a specific law, rule or reg-
22 ulation that is related to employment or state taxation.

23 **“SECTION 6. (1) Subject to the availability of funds in the Eastern**
24 **Oregon Border Economic Development Board Fund, the Eastern**
25 **Oregon Border Economic Development Board may award grants or**
26 **loans to eligible applicants to enhance and expand workforce develop-**
27 **ment or economic development in the Eastern Oregon Border Eco-**
28 **nomics Development Region. Repayment of loans made under this**
29 **section is subject to subsection (8) of this section. The board shall**
30 **make the decision to approve and award grants or loans under this**

1 section, but the Oregon Business Development Department shall be
2 responsible for the actual payment of the grants or loans from the
3 Eastern Oregon Border Economic Development Board Fund.

4 “(2) Eligible applicants include, but are not limited to:

5 “(a) Local governments;

6 “(b) Institutions of higher education as defined in ORS 348.582;

7 “(c) Private or nonprofit businesses with their principal places of
8 business or the majority of their workforces located in the Eastern
9 Oregon Border Economic Development Region;

10 “(d) Small business development centers established under ORS
11 285B.165 to 285B.171;

12 “(e) Economic development organizations;

13 “(f) School districts; and

14 “(g) Other entities as defined by the board by rule.

15 “(3) An eligible applicant may apply for a grant or loan by submit-
16 ting an application and paying the required application fee, if any, in
17 accordance with rules adopted by the board in consultation with the
18 department. The rules must, at a minimum:

19 “(a) Establish criteria for the award of grants or loans under this
20 section that provide that the applicant must demonstrate the grant
21 or loan moneys will be used for:

22 “(A) Economic development that will lead to private investment, job
23 creation or retention and the establishment or expansion of viable
24 businesses in the region;

25 “(B) Expansion of a transportation infrastructure sufficient to fa-
26 cilitate moving traded sector goods or services in the region to mar-
27 ket;

28 “(C) Enhancement and expansion of workforce development in the
29 region that is responsive to the needs of the region’s businesses and
30 industries;

1 **“(D) Certification of regionally significant industrial sites within**
2 **the region;**

3 **“(E) Extension of private utilities, including but not limited to gas**
4 **and electrical connections, to regionally significant industrial sites**
5 **within the region;**

6 **“(F) A due diligence assessment pursuant to the Oregon Industrial**
7 **Site Readiness Assessment Program under ORS 285B.635 to 285B.640**
8 **or other assessments or evaluations that prepare a site for develop-**
9 **ment; or**

10 **“(G) Provision of support services and technical assistance to en-**
11 **trepreneurs and business owners in the region, including but not lim-**
12 **ited to small business development centers established under ORS**
13 **285B.165 to 285B.171; and**

14 **“(b) Establish criteria for repayment of loans, collection of moneys**
15 **owed and repayment of grant proceeds in the event of default.**

16 **“(4) Applications for loans must contain:**

17 **“(a) A plan for repayment by the applicant to the Eastern Oregon**
18 **Border Economic Development Board Fund of moneys borrowed from**
19 **the fund plus interest; and**

20 **“(b) If required by the department and the board, evidence of debt**
21 **assurance of, or security for, repayment by the applicant.**

22 **“(5) Loans made under this section:**

23 **“(a) May not be for a loan term that exceeds the usable life of the**
24 **work or project for which the loan funds will be used or a specified**
25 **number of years from completion, whichever is less; and**

26 **“(b) Are subject to subsection (8) of this section regarding repay-**
27 **ment of loans made by the department.**

28 **“(6) Grants or loans made under this section are payable solely from**
29 **the Eastern Oregon Border Economic Development Board Fund es-**
30 **tablished under section 8 of this 2017 Act. Amounts paid as grants or**

1 loans shall not constitute a debt of the state or a lending of the credit
2 of the state within the meaning of any constitutional or statutory
3 limitation, although nothing in this section is intended to impair the
4 exercise of rights granted against the security for a loan, if any.

5 “(7) The department shall assist the board in evaluating applica-
6 tions for grants or loans under this section by:

7 “(a) Evaluating timelines for accomplishment of work and projects
8 for which grant or loan moneys requested in the application will be
9 used;

10 “(b) Investigating whether necessary permits for development, if
11 needed, have been or can be secured in a timely manner;

12 “(c) Recommending how to maximize use of grant or loan moneys
13 to ensure successful completion of the work or project for which the
14 grant or loan moneys will be used;

15 “(d) Assessing the ability of the applicant to repay the grant or
16 loan;

17 “(e) Documenting the strengths, weaknesses and risks of the appli-
18 cant and project; and

19 “(f) Making recommendations regarding terms and conditions for
20 approval of a grant or loan.

21 “(8) The department shall adopt rules governing repayment of loans
22 made under this section and collection of moneys owed the Eastern
23 Oregon Border Economic Development Board Fund. The department
24 may seek appropriate legal remedies to secure repayment of any loans
25 made under this section that are due to the fund.

26 “(9) The department may assess and charge fees, including but not
27 limited to application fees, for loans or grants made under this sec-
28 tion.

29 **“SECTION 7. The Eastern Oregon Border Economic Development**
30 **Board, in consultation with the Oregon Business Development De-**

1 department, shall adopt rules to implement and administer the pro-
2 visions of sections 1 to 8 of this 2017 Act.

3 **“SECTION 8. (1) The Eastern Oregon Border Economic Develop-**
4 **ment Board Fund is established in the State Treasury, separate and**
5 **distinct from the General Fund. Interest earned by the Eastern Oregon**
6 **Border Economic Development Board Fund shall be credited to the**
7 **fund.**

8 **“(2) Moneys in the fund are continuously appropriated to the**
9 **Oregon Business Development Department for the use of the Eastern**
10 **Oregon Border Economic Development Board for the purposes set**
11 **forth in sections 1 to 8 of this 2017 Act, including but not limited to**
12 **administrative costs of the department incurred in processing grant**
13 **or loan applications, investigating the eligibility of applicants and**
14 **servicing outstanding grants and loans, not to exceed an annual**
15 **amount greater than the total revenues received in that year from**
16 **applicant fees assessed and charged by the department under section**
17 **6 of this 2017 Act, plus four percent of the total asset value of the fund.**

18 **“(3) Moneys in the Eastern Oregon Border Economic Development**
19 **Board Fund consist of:**

20 **“(a) Applicant fees for grants or loans assessed, charged and paid**
21 **pursuant to section 6 of this 2017 Act;**

22 **“(b) Moneys received as repayment of principal and interest on**
23 **loans made from the fund under sections 1 to 8 of this 2017 Act;**

24 **“(c) Amounts appropriated or otherwise transferred to the fund by**
25 **the Legislative Assembly;**

26 **“(d) Amounts donated to the fund;**

27 **“(e) Moneys transferred to the fund from the federal government,**
28 **state agencies or local governments;**

29 **“(f) Lottery bond proceeds approved by the Legislative Assembly for**
30 **deposit in the fund;**

1 “(g) Earnings received on moneys in the fund; and

2 “(h) Other amounts deposited in the fund from any source.

3 “(4) All repayments of grants or loans, interest and other receipts
4 from outstanding indebtedness or any other sources shall be retained
5 and accumulated in the fund and shall be used for the purposes set
6 forth in sections 1 to 8 of this 2017 Act.

7 “SECTION 9. (1) For the biennium beginning July 1, 2017, at the
8 request of the Oregon Business Development Department, after the
9 department consults with the Eastern Oregon Border Economic De-
10 velopment Board, the State Treasurer is authorized to issue lottery
11 bonds pursuant to ORS 286A.560 to 286A.585 in an amount that
12 produces \$10 million in net proceeds and interest earning for the pur-
13 pose described in subsection (2) of this section, plus an additional
14 amount estimated by the State Treasurer to be necessary to pay
15 bond-related costs.

16 “(2) Net proceeds of lottery bonds issued under this section in an
17 amount sufficient to provide \$10 million in net proceeds and interest
18 earnings must be transferred to the department for deposit in the
19 Eastern Oregon Border Economic Development Board Fund estab-
20 lished under section 8 of this 2017 Act for distribution to the Eastern
21 Oregon Border Economic Development Board for the purposes set
22 forth in sections 1 to 8 of this 2017 Act as those purposes relate to
23 workforce development and economic development.

24 “(3) The Legislative Assembly finds that the use of lottery bond
25 proceeds will create jobs, further economic development, finance pub-
26 lic education and restore and protect parks, beaches, watersheds and
27 native fish and wildlife, and is authorized based on the following
28 findings:

29 “(a) Workforce development as defined in section 1 of this 2017 Act,
30 including but not limited to activities or services that assist individ-

1 uals to attain employment, progress along career pathways or estab-
2 lish and maintain businesses and that promote economic development
3 by making skilled employees more readily available will create jobs
4 and lead to enhanced economic development; and

5 “(b) Making grants or loans to eligible entities in the Eastern
6 Oregon Border Economic Development Region will create jobs and
7 promote, expand or prevent the decline of businesses that lead to
8 economic development in the region.

9 “SECTION 10. This 2017 Act being necessary for the immediate
10 preservation of the public peace, health and safety, an emergency is
11 declared to exist, and this 2017 Act takes effect on its passage.”.

12
