

DRAFT

SUMMARY

Requires Eastern Oregon Border Economic Development Board to establish programs through which grants and loans may be made to enhance and expand workforce development and economic development in Eastern Oregon Border Economic Development Region. Provides that no more than 10 grant and loan programs may be active at any time.

Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to awarding moneys through programs in the eastern Oregon border region; amending ORS 284.781 and 284.791; and declaring an emergency.

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

SECTION 1. ORS 284.781 is amended to read:

284.781. The Eastern Oregon Border Economic Development Board, in collaboration with and with the assistance of the Oregon Business Development Department, has the following duties, functions and powers:

(1) To identify policies and strategies that will:

(a) Promote workforce development, including development of residential housing necessary to attract and keep employees in the region, and economic development;

(b) Facilitate **the** development, *[or]* **and** prevent **the** decline, of regionally significant industrial sites;

(c) Create *[or]* **and** maintain jobs in the region; and

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

(2) To make recommendations to the Legislative Assembly for policies and strategies intended to improve the availability of career and technical education, workforce training programs and higher education for the purpose of improving the availability of a qualified workforce for employers in the Eastern Oregon Border Economic Development Region.

(3) To identify specific laws that place specific workforce development [or] **and** economic development efforts in the Eastern Oregon Border Economic Development Region, including **the** development of residential housing necessary to attract and keep employees in the region, at a competitive disadvantage **with respect** to the same type of efforts in the areas across the Oregon border as described in ORS 284.786.

(4) **To establish programs through which one or more grants may be awarded, or one or more loans may be made, or both.**

(5) **To operate a program described in subsection (4) of this section directly or to contract with a third-party administrator to operate the program.**

[(4)] (6) Subject to the availability of funds in the Eastern Oregon Border Economic Development Board Fund **established under ORS 284.801**, to [make] **award** grants [or] **and make** loans [to qualified applicants pursuant to ORS 284.791, not to exceed a total of 10 active grants at any one time] **under ORS 284.791 through programs established pursuant to subsection (4) of this section and operated in accordance with subsection (5) of this section.**

[(5)] (7) To establish a means to evaluate grants [or] **awarded and** loans made [by the board and the department] **under ORS 284.791**, including, but not limited to, determining the number of businesses or regionally significant industrial sites assisted, the types and amount of resources leveraged, return on investment criteria, performance and outcome measures and methods to evaluate the impact on jobs and wages in any area of the Eastern Oregon Border Economic Development Region [to] **in** which grant or loan moneys [were applied or in which they] were utilized.

1 [(6)] (8) To facilitate collaboration among employers, local governments,
2 state agencies and stakeholders for the purpose of enhancing and expanding
3 workforce development and economic development in the region.

4 [(7)] (9) To consult with affected school districts, community colleges and
5 universities and the Employment Department in identifying policies and
6 strategies that will enhance and promote workforce development to improve
7 the availability of a qualified workforce for employers in the Eastern Oregon
8 Border Economic Development Region.

9 [(8)] (10) To report *annually* on or before December 31 of each year to
10 standing and interim committees of the Legislative Assembly related to eco-
11 nomic development regarding *implementation and* **the** administration of the
12 Eastern Oregon Border Economic Development Board and *grants or loans*
13 *made by the board and the Oregon Business Development Department pursu-*
14 *ant to* **the implementation and administration of programs under ORS**
15 **284.791.** The report may include recommendations *regarding proposed* **for**
16 legislation and strategies to improve workforce development and economic
17 development in the region.

18 **SECTION 2.** ORS 284.791 is amended to read:

19 284.791. (1)(a) Subject to the availability of funds in the Eastern Oregon
20 Border Economic Development Board Fund **established under ORS**
21 **284.801**, the Eastern Oregon Border Economic Development Board may award
22 grants *or* **and make** loans to eligible applicants to enhance and expand
23 workforce development *or* **and** economic development in the Eastern
24 Oregon Border Economic Development Region. *[Repayment of loans made*
25 *under this section is subject to subsection (8) of this section. The board shall*
26 *make the decision to approve and award grants or loans under this section,*
27 *but the Oregon Business Development Department shall be responsible for the*
28 *actual payment of the grants or loans from the Eastern Oregon Border Eco-*
29 *nomic Development Board Fund.]*

30 **(b) Grants shall be awarded and loans made through programs es-**
31 **tablished by the board pursuant to ORS 284.781 (4) and operated in**

1 **accordance with ORS 284.781 (5).**

2 **(c) No more than 10 programs may be active at any time. A pro-**
3 **gram is active as long as any loan made through the program remains**
4 **outstanding or any work or project funded or financed by a grant**
5 **awarded through the program has not been completed in accordance**
6 **with the grant agreement.**

7 (2) Eligible applicants **for grants and loans** include, but are not limited
8 to:

9 (a) Local governments;

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

11 (c) Private or nonprofit businesses whose principal place of business, or
12 the majority of whose workforce, is located in the Eastern Oregon Border
13 Economic Development Region;

14 (d) Small business development centers established under ORS 285B.165
15 to 285B.171;

16 (e) Economic development organizations;

17 (f) School districts; and

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

19 (3)(a) An eligible applicant may apply for a grant or loan by submitting
20 an application and paying the required application fee, if any.], *in accordance*
21 *with rules adopted by the board in consultation with the department. The rules*
22 *must, at a minimum:]*

23 [(a)] **(b)** *[Establish criteria for the award of grants or loans under this*
24 *section that provide that the]* **An** applicant must demonstrate **that** the grant
25 or loan moneys will be used for:

26 (A) Economic development that will lead to private investment, job cre-
27 ation or retention and the establishment or expansion of viable businesses
28 in the region;

29 (B) Expansion of [a] transportation infrastructure [*sufficient*] to facilitate
30 moving traded sector goods or services in the region to market;

31 (C) Enhancement and expansion of workforce development in the region,

including development of residential housing necessary to attract and keep employees in the region, that is responsive to the needs of the region's businesses and industries;

(D) Certification of regionally significant industrial sites within the region;

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

(F) A due diligence assessment pursuant to the Oregon Industrial Site Readiness Assessment Program under ORS 285B.635 to 285B.640 or other assessments or evaluations that prepare a site for development; or

(G) Provision of support services and technical assistance to entrepreneurs and business owners in the region, including, but not limited to, small business development centers established under ORS 285B.165 to 285B.171.[:
and]

[(b) Establish criteria for repayment of loans, collection of moneys owed and repayment of grant proceeds in the event of default.]

[(4)] (c) Applications for loans must contain:

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

[(b)] (B) If required by the **Oregon Business Development** Department and the board, evidence of debt assurance of, or security for, repayment by the applicant.

(d) The board, in consultation with the department, shall adopt rules that, at a minimum, establish criteria for awarding grants and making loans under this section, in addition to the criteria set forth in paragraph (b) of this subsection.

[(5)] (4) Loans **may not be** made under this section[:]

[(a)] *[may not be]* for a *[loan]* term that exceeds the *[usable]* **useful** life of the work or project for which the loan funds will be used or a specified

number of years from completion, whichever is less.[: *and*]

[(b) Are subject to subsection (8) of this section regarding repayment of loans made by the department.]

[(6)(a)] **(5)(a)** Grants *[or]* **awarded and** loans made under this section are payable solely from the Eastern Oregon Border Economic Development Board Fund *[established under ORS 284.801]*. Amounts paid as grants *[or]* **and** loans shall not constitute a debt of the state or a lending of the credit of the state within the meaning of any constitutional or statutory limitation.

(b) [Notwithstanding paragraph (a) of this subsection,] Nothing in this section is intended to impair the exercise of rights granted against the security for a loan, if any.

[(7) The department shall assist the board in evaluating applications for grants or loans under this section by:]

(6) With respect to applications for grants to be awarded and loans to be made through a program operated directly by the department, the department shall assist the board in evaluating the applications under this section by:

(a) Evaluating timelines for completion of work and projects for which grant *[or]* **and** loan moneys requested in the application will be used;

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

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

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

(e) Documenting the strengths, weaknesses and risks of the applicant and **the work or** project; and

(f) Making recommendations regarding terms and conditions for approval of a grant or loan **application**.

[(8)] **(7)(a)** The department shall adopt rules governing **the** repayment of loans made under this section, **the repayment of grant proceeds in the**

1 **event of default by the grantee under the grant agreement and the**
2 **collection of moneys owed to the Eastern Oregon Border Economic Devel-**
3 **opment Board Fund. This paragraph does not apply with respect to**
4 **grants awarded and loans made through a program operated by a**
5 **third-party administrator.**

6 (b) The department may seek appropriate legal remedies to secure repay-
7 ment of any loans made under this section [*that are due to the fund*].

8 [(9) *The department may assess and charge fees, including, but not limited*
9 *to, application fees, for loans or grants made under this section.*]

10 (8) **The department and a third-party administrator may assess and**
11 **charge fees, including but not limited to application fees, for grants**
12 **awarded and loans made under this section through programs operated**
13 **by the department and the third-party administrator, respectively.**

14 **SECTION 3. This 2020 special session Act being necessary for the**
15 **immediate preservation of the public peace, health and safety, an**
16 **emergency is declared to exist, and this 2020 special session Act takes**
17 **effect on its passage.**