

## **HB 3251 -2 STAFF MEASURE SUMMARY**

### **House Committee On Economic Development**

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**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 3/25, 4/3

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#### **WHAT THE MEASURE DOES:**

Authorizes Oregon Business Development Department to provide loans and grants to membership organizations and business accelerators to support traded sector businesses that manufacture goods or sell goods and services for outdoor recreation. Establishes loan maximums, interest rates, and terms. Establishes grant award maximums and sets match requirements. Appropriates \$500,000 of General Fund moneys to Department for deposit in Industry Competitiveness Fund for making outdoor recreation industry grants and loans. Declares emergency, effective on passage.

*REVENUE: No revenue impact*

*FISCAL: Fiscal impact issued*

#### **ISSUES DISCUSSED:**

#### **EFFECT OF AMENDMENT:**

-2 Replaces measures. Authorizes Oregon Business Development Department to provide matching grants to membership organizations and business accelerators for capacity building and technical assistance to businesses that manufacture gear and apparel for use in outdoor recreation. Requires Department to establish application process rules and report to Legislative Assembly by September 15, 2020. Requires grant agreement between Department and grant recipient to establish deliverables or other goals to be met. Appropriates \$500,000 of General Fund moneys to Department for deposit in Industry Competitiveness Fund for matching grants.

#### **BACKGROUND:**

The Oregon Business Development Department, commonly known as Business Oregon, is the state's economic development agency. Its mission is to invest in Oregon businesses, communities, and people to promote a globally competitive, diverse, and inclusive economy. Business Oregon supports the retention and expansion of existing Oregon businesses within traded sectors, carries out strategies to create a dynamic startup and entrepreneurial environment, and recruits companies from outside the state to fill supply chain gaps and grow existing industry clusters.

The Industry Competitiveness Fund is funded by Lottery Funds and supports strategies to increase the local, national, and global competitiveness of Oregon businesses and high-value industries. Its current target industries include advanced materials, apparel and outdoor gear, business services, food and beverage, forestry and wood products, and high technology. The Fund is a resource that increases the competitiveness, capacity, growth, and profitability of industry clusters, statewide and regional economic development partners, and international trade (export) businesses through the Oregon Trade Promotion Program. The Fund also supports Oregon industry by leveraging federal and private funds for programs such as the State Trade and Export Program and Oregon Manufacturing Extension Partnership.

According to the Outdoor Industry Association, the outdoor recreation economy generates 172,000 direct jobs, \$5.1 billion in wages and salaries, \$16.4 billion in consumer spending, and \$749 million in state and local tax revenue in Oregon. House Bill 3251 authorizes Business Oregon to provide loans and grants to support traded

sector businesses that manufacture goods or sell goods and services for outdoor recreation.

PRELIMINARY