

House Bill 2455

Sponsored by Representative FINDLEY (Presession filed.)

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 **as introduced**.

Includes developing and expanding broadband Internet access service as form of economic development for which Oregon Business Development Department may fund loans and grants for use in Eastern Oregon Border Economic Development Region. Makes nonsubstantive housekeeping amendments to statutes.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to Internet access in the eastern Oregon border region; amending ORS 284.771, 284.781,
3 284.786, 284.791 and 284.801; and declaring an emergency.

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

5 **SECTION 1.** ORS 284.771 is amended to read:

6 284.771. As used in ORS 284.771 to 284.801, **unless the context requires otherwise:**

7 (1) "Eastern Oregon Border Economic Development Region" or "region," as defined in rules
8 adopted by the Eastern Oregon Border Economic Development Board in consultation with the
9 Oregon Business Development Department, means that part of the state that:

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

12 (b) Includes Willow Creek and Brogan;

13 (c) Is an area in Oregon that is across the Oregon border from 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 sites in the region;

20 (b) Creates jobs or prevents the loss of jobs in the region; *[or]*

21 (c) Promotes or expands businesses or prevents the decline of businesses located or to be located
22 in the region~~]; or~~

23 **(d) Develops or expands broadband Internet access service, as defined in section 1,**
24 **chapter 88, Oregon Laws 2018, in the region.**

25 **(3) "Law" means statutes, administrative rules and any other form of regulation imposed**
26 **by this state or a political subdivision of this state.**

27 ~~[(3)]~~ (4) "Local governing body" means either the county court or board of county commissioners
28 of the county.

29 ~~[(4)]~~ (5) "Local government" has the meaning given that term in ORS 174.116.

30 ~~[(5)]~~ (6) "Regionally significant industrial site" has the meaning given that term in ORS

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 285B.626.

2 [(6)] (7) “Traded sector” has the meaning given that term in ORS 285A.010.

3 [(7)] (8)(a) “Workforce development” means activities or services that assist individuals to attain
4 employment, progress along career pathways or establish and maintain businesses and that promote
5 economic development by making skilled employees more readily available.

6 (b) “Workforce development” includes:

7 [(a)] (A) Education, training and apprenticeships;

8 [(b)] (B) Labor market analysis;

9 [(c)] (C) Employment and reemployment assistance;

10 [(d)] (D) Employee recruitment and retention;

11 [(e)] (E) Workforce programs that have a primary mission of helping individuals become em-
12 ployed, retain employment, increase wages, progress along career pathways or establish and main-
13 tain businesses; and

14 [(f)] (F) Convening, coordinating, oversight and evaluation activities and services for business
15 and state workforce agencies.

16 **SECTION 2.** ORS 284.781 is amended to read:

17 284.781. The Eastern Oregon Border Economic Development Board, in collaboration with and
18 with the assistance of the Oregon Business Development Department, has the following duties,
19 functions and powers:

20 (1) To identify policies and strategies that will:

21 (a) Promote workforce [*and economic growth*] **development and economic development in the**
22 **Eastern Oregon Border Economic Development Region;**

23 (b) Facilitate development or prevent decline of regionally significant industrial sites;

24 (c) Create or maintain jobs in the [*Eastern Oregon Border Economic Development*] region; and

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

27 (2) To make recommendations to the Legislative Assembly for policies and strategies [*that*] **in-**
28 **tended to** improve the availability of career and technical education, workforce training programs
29 and higher education for the purpose of improving the availability of a qualified workforce for em-
30 ployers in the Eastern Oregon Border Economic Development Region.

31 (3) To identify specific laws[, *rules and regulations*] that place specific workforce development
32 or economic development efforts in the Eastern Oregon Border Economic Development Region at a
33 competitive disadvantage to the same type of efforts in the areas across the Oregon border as de-
34 scribed in ORS 284.786.

35 (4) Subject to the availability of funds in the Eastern Oregon Border Economic Development
36 Board Fund, to make grants or loans to qualified applicants pursuant to ORS 284.791, not to exceed
37 a total of 10 active grants at any one time.

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

44 (6) To facilitate collaboration among employers, local governments, state agencies and
45 stakeholders for the purpose of enhancing and expanding workforce development and economic de-

1 velopment in the region.

2 (7) To consult with affected school districts, community colleges and universities and the Em-
 3 ployment Department in identifying policies and strategies that will enhance and promote workforce
 4 development to improve the availability of a qualified workforce for employers in the Eastern
 5 Oregon Border Economic Development Region.

6 (8) To report annually on or before December 31 of each year to standing and interim commit-
 7 tees of the Legislative Assembly related to *[business and]* economic development regarding imple-
 8 mentation and administration of the Eastern Oregon Border Economic Development Board and
 9 grants or loans made by the board and the Oregon Business Development Department pursuant to
 10 ORS 284.791. The report may include recommendations regarding proposed legislation and strategies
 11 to improve workforce development and economic development in the region.

12 **SECTION 3.** ORS 284.786 is amended to read:

13 284.786. (1) The Eastern Oregon Border Economic Development Board may identify specific
 14 laws[, *rules and regulations*] that repeatedly place specific workforce development or economic de-
 15 velopment efforts in the Eastern Oregon Border Economic Development Region at a competitive
 16 disadvantage to the same type of efforts in the areas across the Oregon border.

17 (2) Upon identifying a specific law[, *rule or regulation*], the board:

18 (a) May recommend to the agency, board or commission that imposes **or administers** such a
 19 law[, *rule or regulation*] that the agency, board or commission consider an exception or waiver to
 20 the law[, *rule or regulation*], where permitted by law, to assist in workforce development and eco-
 21 nomic development efforts in the region. Within 60 days of receiving a recommendation from the
 22 Eastern Oregon Border Economic Development Board under this paragraph, the agency, board or
 23 commission shall review the recommendation and hold a public hearing in the region or otherwise
 24 consider information from the public and stakeholder entities to determine whether:

25 (A) The law[, *rule or regulation*] has posed a repeated disadvantage to workforce development
 26 and economic development in the region in the last five years compared to comparable laws, rules
 27 or *[regulations applied in]* **other forms of regulation imposed by the State of Idaho or a political**
 28 **subdivision of the State of Idaho;** and

29 (B) An exception or waiver to the specific law[, *rule or regulation*] can be made for the purpose
 30 of furthering workforce development or economic development in the Eastern Oregon Border Eco-
 31 nomic Development Region.

32 (b) If the agency, board or commission determines that an exception or waiver may not be made
 33 under paragraph (a) of this subsection, may recommend to the agency, board or commission or to
 34 the Legislative Assembly that a specific exception or waiver be allowed for the purpose of workforce
 35 development or economic development in the region.

36 ~~[(2)]~~ (3) The Eastern Oregon Border Economic Development Board may not recommend an ex-
 37 ception or waiver to a specific law[, *rule or regulation*] that is related to employment or state taxa-
 38 tion.

39 **SECTION 4.** ORS 284.791 is amended to read:

40 284.791. (1) Subject to the availability of funds in the Eastern Oregon Border Economic Devel-
 41 opment Board Fund, the Eastern Oregon Border Economic Development Board may award grants
 42 or loans to eligible applicants to enhance and expand workforce development or economic develop-
 43 ment in the Eastern Oregon Border Economic Development Region. Repayment of loans made under
 44 this section is subject to subsection (8) of this section. The board shall make the decision to approve
 45 and award grants or loans under this section, but the Oregon Business Development Department

1 shall be responsible for the actual payment of the grants or loans from the Eastern Oregon Border
 2 Economic Development Board Fund.

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

4 (a) Local governments;

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

6 (c) Private or nonprofit businesses [*with their*] **whose** principal [*places*] **place** of business, or the
 7 majority of [*their workforces*] **whose workforce, is** located in the Eastern Oregon Border Economic
 8 Development Region;

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

10 (e) Economic development organizations;

11 (f) School districts; and

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

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

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

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

20 (B) Expansion of a transportation infrastructure sufficient to facilitate moving traded sector
 21 goods or services in the region to market;

22 (C) Enhancement and expansion of workforce development in the region that is responsive to
 23 the needs of the region's businesses and industries;

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

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

27 **(F) Development and expansion of broadband Internet access service, as defined in sec-**
 28 **tion 1, chapter 88, Oregon Laws 2018, in the region;**

29 [*(F)*] (G) A due diligence assessment pursuant to the Oregon Industrial Site Readiness Assess-
 30 ment Program under ORS 285B.635 to 285B.640 or other assessments or evaluations that prepare a
 31 site for development; or

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

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

37 (4) Applications for loans must contain:

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

40 (b) If required by the department and the board, evidence of debt assurance of, or security for,
 41 repayment by the applicant.

42 (5) Loans made under this section:

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

45 (b) Are subject to subsection (8) of this section regarding repayment of loans made by the de-

1 partment.

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

6 (b) **Notwithstanding paragraph (a) of this subsection**, nothing in this section is intended to
 7 impair the exercise of rights granted against the security for a loan, if any.

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

10 (a) Evaluating timelines for accomplishment of work and projects for which grant or loan mon-
 11 eys requested in the application will be used;

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

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

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

17 (e) Documenting the strengths, weaknesses and risks of the applicant and project; and

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

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

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

25 **SECTION 5.** ORS 284.801 is amended to read:

26 284.801. (1) The Eastern Oregon Border Economic Development Board Fund is established in the
 27 State Treasury, separate and distinct from the General Fund. Interest earned by the Eastern Oregon
 28 Border Economic Development Board Fund shall be credited to the fund.

29 (2) Moneys in the fund are continuously appropriated to the Oregon Business Development De-
 30 partment:

31 (a) For *[the use of]* **distribution to** the Eastern Oregon Border Economic Development Board
 32 for the purposes set forth in ORS 284.771 to 284.801[, *including but not limited to*]; **and**

33 (b) **To reimburse the department for the** administrative costs of the department incurred in
 34 processing grant or loan applications, investigating the eligibility of applicants and servicing out-
 35 standing grants and loans[.]. **Reimbursements made under this paragraph may** not *[to]* exceed
 36 an annual amount *[greater than]* **equal to** the total revenues received in that year from applicant
 37 fees assessed and charged by the department under ORS 284.791, plus four percent of the total asset
 38 value of the fund.

39 (3) Moneys in the Eastern Oregon Border Economic Development Board Fund consist of:

40 (a) Applicant fees for grants or loans assessed, charged and paid pursuant to ORS 284.791;

41 (b) Moneys received as repayment of principal and interest on loans made from the fund under
 42 ORS 284.771 to 284.801;

43 (c) Amounts appropriated or otherwise transferred to the fund by the Legislative Assembly;

44 (d) Amounts donated to the fund;

45 (e) Moneys transferred to the fund from the federal government, state agencies or local gov-

1 ernments;

2 (f) Lottery bond proceeds approved by the Legislative Assembly for deposit in the fund;

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

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

5 (4) All repayments of grants or loans, interest and other receipts from outstanding indebtedness
6 or any other sources shall be retained and accumulated in the fund and shall be used for the pur-
7 poses set forth in ORS 284.771 to 284.801.

8 **SECTION 6. This 2019 Act being necessary for the immediate preservation of the public**
9 **peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect**
10 **on its passage.**

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