

House Bill 3251

Sponsored by Representative HELM, Senators KNOPP, DEMBROW, Representatives BONHAM, HELT, SMITH DB, WITT, Senator THOMSEN; Representative STARK, Senator GOLDEN

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**.

Authorizes Oregon Business Development Department to make loans and award matching grants to membership organizations and business accelerators in outdoor recreation industry.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to the outdoor recreation industry; creating new provisions; amending ORS 285B.290; and
3 declaring an emergency.

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

SECTION 1. As used in this section and section 2 of this 2019 Act:

6 (1) **"Business accelerator" means a company:**

7 (a) **Having its principal place of business in this state;**

8 (b) **With demonstrated success in operating educational programs in which outdoor re-**
9 **creation industry veterans mentor cohorts of founders of emerging outdoor recreation in-**
10 **dustry companies located in this state; and**

11 (c) **Whose purpose is to help the founders incubate and accelerate the growth of their**
12 **emerging companies.**

13 (2) **"Membership organization" means a for-profit or nonprofit organization:**

14 (a) **Having its principal place of business in this state;**

15 (b) **Consisting of member businesses from the outdoor recreation industry whose princi-**
16 **pal place of business is in this state; and**

17 (c) **That has the purpose of growing the outdoor recreation industry at the state or re-**
18 **gional level.**

19 (3) **"Outdoor recreation" means activities undertaken for pleasure outdoors in natural**
20 **environments.**

21 (4) **"Outdoor recreation industry" means all traded sector businesses that manufacture**
22 **goods for use in outdoor recreation or that sell goods and services related to outdoor recre-**
23 **ation.**

24 (5) **"Traded sector" has the meaning given that term in ORS 285B.280.**

25 **SECTION 2. (1)(a) The Oregon Business Development Department may provide financial**
26 **assistance in the form of loans and matching grants to membership organizations and busi-**
27 **ness accelerators for the purpose of supporting the emerging sector of the outdoor recre-**
28 **ation industry.**

29 (b)(A) **The department shall provide public notice to the outdoor recreation industry**
30 **whenever there are funds available for loans or matching grants under this section. The**

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 notice may be made in any manner likely to reach the largest group of membership organ-
 2 izations and business accelerators possible.

3 (B) The notice shall include information about the requirements for eligibility and the
 4 application process for loans and matching grants.

5 (2)(a) A membership organization or business accelerator seeking a loan or matching
 6 grant under this section must file with the department an application in accordance with
 7 rules adopted by the department under subsection (9) of this section. The information in-
 8 cluded with the application must demonstrate that the applicant is a membership organiza-
 9 tion or business accelerator.

10 (b) The department may charge an application fee in an amount that does not exceed the
 11 actual costs incurred by the department in processing applications filed pursuant to this
 12 section.

13 (3)(a) If the department rejects an application, the department shall notify the applicant
 14 and explain the reasons for the rejection.

15 (b) The department, in its sole discretion, may allow an applicant to modify a rejected
 16 application without refiling.

17 (c) The final rejection of an application under this subsection may not be appealed.

18 (d) Notwithstanding paragraph (c) of this subsection, an applicant is not barred from
 19 reapplying for a loan or matching grant under this section at any time.

20 (4) If the department approves an application, the department shall notify the applicant
 21 and make the loan or award the matching grant, as applicable, from moneys in the Industry
 22 Competitiveness Fund established under ORS 285B.290 that are appropriated or otherwise
 23 credited to the fund for the purposes of making loans and awarding matching grants under
 24 this section.

25 (5)(a) The maximum amount of a loan made under this section to an individual mem-
 26 bership organization or business accelerator is \$_____.

27 (b) The maximum amount of all loans made under this section is \$_____ per biennium.

28 (c) The interest rate on loans made under this section may not exceed _____ percent
 29 of the principal amount. The rate charged shall reflect a reasonable and prudent expectation
 30 of the ability of the membership organization or business accelerator to repay the loan.

31 (d) A loan may not be made for a term greater than _____ years.

32 (6)(a) The maximum amount of a matching grant awarded under this section to an indi-
 33 vidual membership organization or business accelerator is \$_____.

34 (b) The maximum amount of all matching grants awarded under this section is \$_____
 35 per biennium.

36 (c) A matching grant may not be awarded until the department is satisfied that the
 37 membership organization or business accelerator has secured a match of _____ percent of
 38 the amount of the matching grant awarded under this section.

39 (7) A membership organization or business accelerator that receives a loan or matching
 40 grant under this section may seek and receive other investments of any kind from any public
 41 or private source.

42 (8) The department shall require each recipient of a loan or matching grant to submit a
 43 report to the department. The department may prescribe the time, form, manner and con-
 44 tents of the report on a case-by-case basis.

45 (9) The department shall adopt rules that establish:

1 **(a) The application process, including, but not limited to, the application form, the in-**
2 **formation required to be included with the form, the application deadlines and the application**
3 **fee; and**

4 **(b) Any other process that the department considers necessary or convenient for the**
5 **administration by the department of this section.**

6 **SECTION 3. There is appropriated to the Oregon Business Development Department, for**
7 **the biennium beginning July 1, 2019, out of the General Fund, for deposit in the Industry**
8 **Competitiveness Fund established under ORS 285B.290, the amount of \$500,000, for the pur-**
9 **poses of making loans and awarding matching grants under section 2 of this 2019 Act.**

10 **SECTION 4. ORS 285B.290 is amended to read:**

11 285B.290. **(1) The Industry Competitiveness Fund is established in the State Treasury, separate**
12 **and distinct from the General Fund.**

13 **(2) The Industry Competitiveness Fund shall consist of all moneys credited to the fund, including**
14 **moneys from the Administrative Services Economic Development Fund. Interest earned by the In-**
15 **dustry Competitiveness Fund shall be credited to the fund.**

16 **(3)(a) Except as provided in paragraph (b) of this subsection, moneys in the fund are con-**
17 **tinuously appropriated to the Oregon Business Development Department to provide funds for activ-**
18 **ities outlined in ORS 285B.286.**

19 **(b) Moneys in the fund that are appropriated or otherwise credited to the fund for the**
20 **purposes of making loans and awarding matching grants under section 2 of this 2019 Act are**
21 **continuously appropriated to the department for such purposes and may not be used for any**
22 **other purpose.**

23 **SECTION 5. This 2019 Act being necessary for the immediate preservation of the public**
24 **peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect**
25 **on its passage.**