

**Tina Kotek**  
**Governor**



**Memo**

**TO:** House Interim Committee on Economic Development and Small Business

**FROM:** Vince Porter, Economic & Workforce Policy Advisory  
Sarah Means, Semiconductor Manager

**RE:** Semiconductor Updates - HB 2009 (2023), Senate Bill 4 (2023), ASTN, and EDA Tech Hubs

**DATE** September 28, 2023

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Please accept this written update on two semiconductor related programs approved by the Oregon Legislature in the 2023 session and two external opportunities in the semiconductor industry.

**HB 2009 R&D Tax Credit (2023):**

The Research and Development Tax Credit for Semiconductors was authorized by the State of Oregon, during the 2023 Legislative Session, to both recognize and further the important contributions of industry to regional and national economies. HB 2009 requires eligible taxpayers to register and become certified by Business Oregon before this tax credit may be claimed for tax year 2024. Together with the public and impacted taxpayers, Business Oregon is developing the registration process first, followed by the certification process.

On September 26, 2023, Business Oregon held two public outreach meetings to present proposed temporary rules and registration process. Feedback has been requested and will be accepted until October 4, 2023. Business Oregon has also created a website where interested parties can learn more: [Research and Development Tax Credit for Semiconductors](#)

**Key Dates:**

**Public Comment Closes:** October 4, 2023

**Final Temporary (Registration) Rules:** October 2023

**Registration Opens:** October-November 2023

**Registration Closes:** December 1, 2023, 11:59 pm

**Registration Acknowledged:** December 31, 2023, 11:59 pm

**SB 4 Industrial Lands Loan Fund (2023):**

The Industrial Lands Loan Fund was authorized as part of Senate Bill 4 in the 2023 Legislative Session. The Fund's purpose is to provide financial assistance to projects related to industrial land development for semiconductor industry use. In administering this \$10 million program, Business Oregon will emphasize investments that assist communities and businesses in developing industrial lands and promoting the creation, expansion, and preservation of Oregon's semiconductor industry.

Business Oregon staff are currently working to draft administrative rules as well as build program guidelines and application materials for the industrial lands loan program. The program will offer forgivable loans of up to \$2M for projects that prepare industrial sites for semiconductor investments. Projects with the ability to move forward in the next 12-18 months will be given priority over planning projects.

**Key (tentative) Dates:**

- **Notice of Proposed Rulemaking:** Early October 2023
- **Public Hearing on Rules:** Mid-October 2023
- **Permanent Rule Filing:** Late November 2023
- **Application Opens:** December 1, 2023
- **Public Webinar:** Mid December 2023
- **Applications Due:** February 1, 2024
- **Conditional Award Notifications:** March 2024
- **Contract Negotiations/Initial Funding:** April-June 2024

**Advancing Semiconductor Technology in the Northwest**

The National Science Foundation announced in May 2023 the first NSF Engines Development awards. Oregon State University, leading a northwest consortium with representation from Oregon, Idaho, and Washington was awarded \$1,000,000 for their project, Advancing Semiconductor Technologies in the Northwest (ASTN). ASTN leverages federal, regional, state, private and public institutions in its vision to develop a regional innovation ecosystem that advances use-inspired semiconductors, invents scalable nanofabrication manufacturing processes, innovates in energy-efficient, memory-centric computing architectures, increases functionality via More than Moore,

develops innovative computation tools, expands innovation, entrepreneurship and creates training programs to enable a diverse workforce.

This kick-off workshop for ASTN is being held September 28 and 29, 2023. The goal of the workshop will be to determine use-inspired research areas that the Pacific Northwest is uniquely positioned to lead. The discussions at the workshop will fuel follow-up conversations on workforce and economic development in the region.

### **Economic Development Administration – Tech Hubs**

The Tech Hubs Program was enacted as part of the CHIPS and Science Act of 2022 (as the Regional Technology and Innovation Hubs program). The statute authorized \$10 billion for the program over five years. The Tech Hubs Program is an economic development initiative designed to drive regional technology- and innovation-centric growth by strengthening a region's capacity to manufacture, commercialize, and deploy critical technologies.

Oregon State University lead a coalition of partners focused on Microfluidics, the precisely controlled movement of small volumes of liquid, as a keystone technology for devices and systems vital to both national security and economic prosperity. The proposal is to establish the Corvallis Microfluidics Technology Hub (CorMIC) with the vision to establish the Corvallis MSA as the global leader in the development, scaling, and commercialization of microfluidics technologies. This has direct implications for microfluidics in semiconductor chip and power electronics cooling, microfluidic dispense for the biotech sector, and specialty chemical markets. Furthermore, the consortium consists of partners extending beyond the Corvallis MSA and into Portland-Vancouver-Hillsboro, Salem, Eugene-Springfield, Albany-Lebanon, and Tribal communities.

The proposal has been submitted to the EDA for consideration.