

Requested by Senator WAGNER

**PROPOSED AMENDMENTS TO
SENATE BILL 4**

1 On page 1 of the printed bill, delete lines 4 through 28 and delete pages
2 2 through 8 and insert:

3 **“SECTION 1. (1) As used in sections 1 to 6 of this 2023 Act:**

4 **“(a) ‘Covered entity’ has the meaning given that term by 15 U.S.C.**
5 **4651(2).**

6 **“(b) ‘Covered incentive’ has the meaning given that term by 15**
7 **U.S.C. 4651(3).**

8 **“(c) ‘Federal semiconductor financial assistance’ means assistance**
9 **available under the program established pursuant to 15 U.S.C.**
10 **4652(a)(1) for financial assistance to the semiconductor industry.**

11 **“(d) ‘Program grants and loans’ means grants awarded and loans**
12 **made under the program developed by the Oregon Business Develop-**
13 **ment Department pursuant to this section.**

14 **“(2)(a) The Oregon Business Development Department shall develop**
15 **a program to award grants and make loans from moneys in the**
16 **Semiconductor and Advanced Manufacturing Opportunity Fund es-**
17 **tablished under section 6 of this 2023 Act to businesses applying for**
18 **federal semiconductor financial assistance.**

19 **“(b)(A) The program shall be administered by the department and**
20 **the Governor as set forth in this section.**

21 **“(B) Notwithstanding the duties and powers conferred respectively**

1 on the department and the Governor under sections 1 to 6 of this 2023
2 Act, the department and the Governor may consult each other with
3 respect to any duty or power so conferred.

4 “(c) It is the intention of the Legislative Assembly that program
5 grants and loans be treated by the U.S. Secretary of Commerce as
6 covered incentives for purposes of the federal semiconductor financial
7 assistance program.

8 “(3)(a) Program grant and loan proceeds may be used solely for:

9 “(A) If a business’s application for federal semiconductor financial
10 assistance is approved, activities undertaken in connection with the
11 federal semiconductor financial assistance program; and

12 “(B) Regardless of whether a business’s application for federal
13 semiconductor financial assistance is approved:

14 “(i) The development of a site for a semiconductor or other ad-
15 vanced manufacturing facility, including, but not limited to, the ac-
16 quisition and aggregation of land;

17 “(ii) Research and development with respect to semiconductors or
18 advanced manufacturing; or

19 “(iii) Partnering with institutions of higher education, including,
20 but not limited to, historically Black colleges and universities, career
21 technical training institutions, regional collaborative groups, local
22 workforce development boards as defined in ORS 660.300, programs
23 funded through the federal Workforce Innovation and Opportunity Act
24 (P.L. 113-128) and apprenticeship programs registered with the State
25 Apprenticeship and Training Council for the purpose of workforce de-
26 velopment and the creation of training, registered apprenticeship and
27 internship opportunities, with respect to semiconductors or advanced
28 manufacturing.

29 “(b) Contractors and subcontractors on construction projects
30 funded by program grant or loan proceeds must pay for such projects

1 a rate of wage that meets or exceeds the greater of:

2 “(A) The prevailing rate of wage for workers in each trade or oc-
3 cupation in each locality as determined by the Commissioner of the
4 Bureau of Labor and Industries under ORS 279C.815; or

5 “(B) The prevailing rate of wage as determined by the United States
6 Secretary of Labor under the Davis-Bacon Act (40 U.S.C. 3141 et seq.).

7 “(4)(a) A business that is a covered entity may apply to the de-
8 partment under section 2 of this 2023 Act for a program grant or loan.

9 “(b)(A) Except as provided in subparagraph (B) of this paragraph,
10 program grants and loans may not be awarded or made to any appli-
11 cant in an amount greater than \$50 million.

12 “(B) The Governor may make a final decision to approve a program
13 grant or loan under section 3 of this 2023 Act in an amount greater
14 than \$50 million only with legislative approval.

15 “(c)(A) Program loans may be made for a term not to exceed 10
16 years as negotiated by the department with the business in the loan
17 agreement and, except as provided in section 5 (3) of this 2023 Act, at
18 a zero rate of interest.

19 “(B) All amounts received by the department in repayment of a
20 program loan shall be transferred to the Semiconductor and Advanced
21 Manufacturing Opportunity Fund established under section 6 of this
22 2023 Act.

23 “(d) Proceeds from a program grant or loan may be distributed in
24 a single payment or in multiple, conditional payments, as specified in
25 the program grant or loan agreement.

26 “(e) For every \$1 million in program grant or loan proceeds re-
27 ceived, the recipient business must, over the period of the grant or
28 loan agreement, generate at least \$1.5 million in state and local reve-
29 nue. The department and the recipient business may specify in the
30 program grant or loan agreement what the term ‘revenue’ includes.

1 “(f)(A) In addition to program grants and loans, an application as-
2 sistance grant, in an amount not to exceed \$50,000, may be awarded
3 to a business whose application is approved under section 3 of this 2023
4 Act, for the costs of preparing and submitting the business’s applica-
5 tion for federal semiconductor financial assistance.

6 “(B) Application assistance grants may be made from moneys in the
7 fund or from any other source of funding available for such purpose
8 to the department or the Governor.

9 “SECTION 2. (1)(a) The Oregon Business Development Department
10 shall prescribe an application process, including forms and deadlines,
11 by which businesses may apply under this section for program grants
12 and loans.

13 “(b) At a minimum, the application form must require the applicant
14 business to:

15 “(A) Establish its eligibility to be treated by the U.S. Secretary of
16 Commerce as a covered entity;

17 “(B) Include its draft application for federal semiconductor finan-
18 cial assistance;

19 “(C) Explain how the applicant plans to comply with all applicable
20 federal employment, labor and environmental standards;

21 “(D) Explain how the proposed activities of the business will pro-
22 mote the expansion and long-term economic viability of the semicon-
23 ductor industry in Oregon, including research and development,
24 manufacturing and other critical links in the semiconductor supply
25 chain;

26 “(E) State the amount of program grant or loan proceeds sought
27 under this section along with a detailed description of the proposed
28 expenditure of the proceeds;

29 “(F) If the application includes a request for an application assist-
30 ance grant, state the amount of the application assistance grant

1 sought and demonstrate the business’s need for the application as-
2 sistance grant;

3 “(G) Explain how the applicant will meet the requirement under
4 section 1 (4)(e) of this 2023 Act, setting forth at a minimum such in-
5 formation as the kinds, amounts and timing of the revenue to be
6 generated;

7 “(H) Include any other information that the department or the
8 Governor considers necessary or important for review of the applica-
9 tion; and

10 “(I) Sign the application through an authorized director, officer,
11 employee or agent under penalties for false swearing.

12 “(2)(a) Upon request, the department may consult with a business
13 about the business’s application, before or after submission.

14 “(b) A business may amend and resubmit its application at any time
15 within the application period.

16 “(3) Trade secrets, as defined in ORS 646.461, that are submitted to
17 the department as part of an application under this section shall be
18 exempt from disclosure under ORS 192.311 to 192.478 until January 1,
19 2027.

20 “SECTION 3. (1)(a) The Oregon Business Development Department
21 shall perform a preliminary review of all timely and complete appli-
22 cations for program grants and loans.

23 “(b) Within 30 days following receipt of an application, the depart-
24 ment shall:

25 “(A) Approve the application;

26 “(B) Approve the application for a program grant or loan, or appli-
27 cation assistance grant, in an amount other than the amount re-
28 quested; or

29 “(C) Reject the entire application or only the request for an appli-
30 cation assistance grant.

1 “(c) As soon as practicable after making a decision about an appli-
2 cation under this subsection, the department shall forward the appli-
3 cation and the department’s preliminary decision to the Governor.

4 “(2)(a) Within 90 days following receipt of an application forwarded
5 by the department, the Governor shall review the application.

6 “(b) Upon review, the Governor shall make a final decision to:

7 “(A) Affirm the department’s approval or rejection;

8 “(B) Affirm the department’s approval for a program grant or loan,
9 or application assistance grant, in an amount other than the amount
10 approved by the department; or

11 “(C) Reverse the department’s approval or rejection, which may
12 include changing the amount of a program grant or loan or application
13 assistance grant, as applicable, or reversing only the decision whether
14 to award an application assistance grant.

15 “(c) In accordance with section 1 (4)(b) of this 2023 Act, the Gover-
16 nor shall seek legislative approval for any program grant or loan
17 amount greater than \$50 million.

18 “(d) The final decisions of the Governor are not subject to appeal.

19 “(3) In approving applications and setting program grant and loan
20 amounts, the department and the Governor shall give preference to:

21 “(a) Projects that will promote the expansion and long-term eco-
22 nomic viability of the semiconductor industry in Oregon, including
23 research and development, manufacturing and other critical links in
24 the semiconductor supply chain;

25 “(b) Projects that will promote and extend Oregon’s leadership in
26 the field of technology;

27 “(c) Projects that will attract manufacturing jobs to Oregon;

28 “(d) Projects that will secure supply in Oregon for critical sectors
29 of the state economy;

30 “(e) Projects that reflect an applicant business’s established re-

1 relationship, or commitment to build a relationship, with organizations
2 focused on developing a diverse workforce pipeline;

3 “(f) Applicant businesses that have at least 10 full-time employees
4 in Oregon;

5 “(g) Applicant businesses that have formed partnerships for the
6 purpose of workforce development or the creation of training, regis-
7 tered apprenticeship or internship opportunities;

8 “(h) Applicant businesses that commit to generating a greater
9 amount of state and local revenue as required under section 1 (4)(e)
10 of this 2023 Act;

11 “(i) Applications that propose projects described in 15 U.S.C.
12 4652(a)(2)(B)(i) that will incorporate significant participation by busi-
13 nesses owned by members of underrepresented communities and eco-
14 nomically disadvantaged individuals; and

15 “(j) Applications that, taken together, represent regional diversity
16 in Oregon.

17 “(4)(a) As soon as practicable after making a final decision under
18 subsection (2) of this section, the Governor shall return the application
19 to the department with notice of the final decision and the reasons for
20 the decision.

21 “(b) Upon receipt of the Governor’s notice, the department shall:

22 “(A) Notify the applicant of the final decision and the reasons for
23 the decision; and

24 “(B) For an approved application, offer to the applicant a program
25 grant or loan agreement and, if applicable, an application assistance
26 grant.

27 “(c) Upon entering into a program grant or loan agreement with the
28 applicant business, the department shall distribute to the business
29 from the Semiconductor and Advanced Manufacturing Opportunity
30 Fund established under section 6 of this 2023 Act the amount set forth

1 in the agreement.

2 “(5)(a) If a business that has entered into an agreement pursuant
3 to this section changes ownership during the term of the agreement,
4 the department, in consultation with the Governor, may allow the
5 continued use of the program grant or loan proceeds provided the
6 business enters into a new agreement with the department that com-
7 mits the business to continuing the project as proposed in the appli-
8 cation approved under this section.

9 “(b) In the new agreement, the department may agree to minor
10 changes in the terms of the original agreement that the department,
11 in consultation with the Governor, considers reasonable in the cir-
12 cumstances and faithful to the purpose for which the business’s ap-
13 plication was approved.

14 **“SECTION 4. (1) At least once every six months following the date**
15 **on which a business enters into a program grant or loan agreement**
16 **with the Oregon Business Development Department under section 3**
17 **of this 2023 Act, for as long as the agreement is in effect, the business**
18 **shall report to the department the following:**

19 “(a) The status of the business’s application for federal semicon-
20 ductor financial assistance;

21 “(b) Progress on the project to construct, expand or modernize the
22 facility for which the grant was awarded or the loan made, including,
23 but not limited to, the acquisition or aggregation of land and the sta-
24 tus of the permits required for the project;

25 “(c) State and local revenue generated as required under section 1
26 (4)(e) of this 2023 Act, setting forth at a minimum the kinds, amounts
27 and timing of the revenue generated, as well as of any proposed reve-
28 nue yet to be generated;

29 “(d) Any research and development work conducted with respect to
30 semiconductors or advanced manufacturing;

1 “(e) Any partnerships the business has engaged in with institutions
2 of higher education or regional workforce programs for the purpose
3 of workforce development and the creation of training, registered ap-
4 prenticeship and internship opportunities;

5 “(f) The status of any other consideration for which the business’s
6 application was given preference under section 3 (3) of this 2023 Act;

7 “(g) The economic impact of the project on businesses in this state,
8 including, but not limited to, the impact on supply chains;

9 “(h) The economic and environmental impact of the project on
10 communities in this state; and

11 “(i) Any other information required by the department or the Gov-
12 ernor.

13 “(2) Not later than September 15 of each year in which any program
14 grant or loan agreement remains in effect, the department shall sub-
15 mit, in the manner required under ORS 192.245, a report summarizing
16 the information received from businesses pursuant to subsection (1)
17 of this section, to the interim committees of the Legislative Assembly
18 related to economic development.

19 “SECTION 5. (1)(a) A business that received a program grant or
20 loan, including an application assistance grant, shall become liable for
21 immediate repayment of the full amount of the grant or the out-
22 standing principal amount of the loan, if:

23 “(A) The business has not begun, on or before January 1, 2027, the
24 process of applying for permits required for the project for which the
25 grant was awarded or the loan made;

26 “(B) The project changes substantially from the project for which
27 the business’s application was approved such that the project would
28 not have been eligible for the program grant or loan;

29 “(C) The business has not generated state and local revenue as re-
30 quired under section 1 (4)(e) of this 2023 Act, on or before the earlier

1 of a date, if any, specified in the program grant or loan agreement or
2 January 1, 2033;

3 “(D) The business has not complied with all environmental stan-
4 dards applicable to the project under law or has not cured its non-
5 compliance within a reasonable time, as determined by the Oregon
6 Business Development Department; or

7 “(E) The business has not complied with all labor standards appli-
8 cable to the project under law or the program grant or loan agreement
9 or has not cured its noncompliance within a reasonable time, as de-
10 termined by the department.

11 “(b) If a project is suspended for a reason beyond the control of the
12 business, the amount to be repaid shall be in proportion to the per-
13 centage of the project that has not been completed at the time of
14 suspension, as determined by the department.

15 “(2) Any and all amounts required to be repaid under this section
16 shall be considered to be liquidated and delinquent, and the Oregon
17 Business Development Department shall assign such amounts to the
18 Department of Revenue for collection as provided in ORS 293.250.

19 “(3) If the Oregon Business Development Department discovers that
20 a business willfully made a false statement or misrepresentation, or
21 willfully failed to report a material fact, to obtain a program grant or
22 loan, or an application assistance grant, under sections 1 to 6 of this
23 2023 Act, the Oregon Business Development Department may add to
24 the amount the business is obligated to repay a penalty not to exceed
25 20 percent of the principal amount of the program grant or loan so
26 obtained, plus any applicable interest and fees associated with the
27 Department of Revenue’s costs of collection.

28 “(4) Subject to ORS 293.250, all amounts repaid to the Oregon
29 Business Development Department or the Department of Revenue un-
30 der this section, including award amounts, penalties, interest, fees and

1 any other charges, shall be transferred to the Semiconductor and Ad-
2 vanced Manufacturing Opportunity Fund established under section 6
3 of this 2023 Act.

4 **“SECTION 6. (1) The Semiconductor and Advanced Manufacturing**
5 **Opportunity Fund is established in the State Treasury, separate and**
6 **distinct from the General Fund. Interest earned by the Semiconductor**
7 **and Advanced Manufacturing Opportunity Fund shall be credited to**
8 **the fund.**

9 **“(2) Moneys in the fund shall consist of:**

10 **“(a) Amounts appropriated or otherwise transferred or credited to**
11 **the fund by the Legislative Assembly;**

12 **“(b) Earnings received on moneys in the fund; and**

13 **“(c) Other moneys, or proceeds of property, from any public or**
14 **private source that are transferred, donated or otherwise credited to**
15 **the fund.**

16 **“(3) Moneys in the Semiconductor and Advanced Manufacturing**
17 **Opportunity Fund are continuously appropriated to the Oregon Busi-**
18 **ness Development Department for the following purposes:**

19 **“(a) Paying the actual costs incurred by the department in devel-**
20 **oping and administering sections 1 to 6 of this 2023 Act; and**

21 **“(b) Carrying out the provisions of sections 1 to 6 of this 2023 Act.**

22 **“(4) Moneys in the Semiconductor and Advanced Manufacturing**
23 **Opportunity Fund at the end of a biennium shall be retained in the**
24 **fund, and used for the purposes set forth in subsection (3) of this sec-**
25 **tion.**

26 **“SECTION 7. Sections 1 to 6 of this 2023 Act are repealed on Janu-**
27 **ary 2, 2032.**

28 **“SECTION 8. Notwithstanding ORS 293.144, there is appropriated to**
29 **the Oregon Business Development Department, for the biennium end-**
30 **ing June 30, 2023, out of the Oregon Rainy Day Fund, the amount of**

1 **\$210 million to be distributed as follows:**

2 **“(1) \$190 million for deposit in the Semiconductor and Advanced**
3 **Manufacturing Opportunity Fund established under section 6 of this**
4 **2023 Act, to be used for the purpose of carrying out the provisions of**
5 **sections 1 to 6 and 10 of this 2023 Act;**

6 **“(2) \$10 million for deposit in the University Innovation Research**
7 **Fund established under ORS 285A.230, to be used for any purpose re-**
8 **lated to economic development for which moneys in the University**
9 **Innovation Research Fund may be used; and**

10 **“(3) \$10 million for deposit in the Industrial Lands Loan Fund es-**
11 **tablished under section 23 of this 2023 Act.**

12 **“SECTION 9. Sections 10 and 11 of this 2023 Act are added to and**
13 **made a part of ORS 197.286 to 197.314.**

14 **“SECTION 10. (1) On or before December 31, 2024, the Governor by**
15 **executive order and subject to section 11 of this 2023 Act, may bring**
16 **within an existing urban growth boundary designated lands for the**
17 **purposes of providing lands available for industrial uses as part of the**
18 **state’s covered incentive as defined in section 1 of this 2023 Act that**
19 **relate to the semiconductor industry, advanced manufacturing or the**
20 **supply chain for semiconductors or advanced manufacturing.**

21 **“(2) Lands designated by an executive order under this section must**
22 **be within a site that consists of one or more tracts of land that are:**

23 **“(a) Contiguous to the city’s existing urban growth boundary; and**

24 **“(b) Entirely within three miles of the city’s existing urban growth**
25 **boundary.**

26 **“(3) Before issuing an executive order under this section, the Gov-**
27 **ernor shall:**

28 **“(a) Conduct one public meeting, in coordination with the city**
29 **nearest to the site and each county in which the site is located, to be**
30 **held in that city for the purpose of discussing bringing within the ur-**

1 **ban growth boundary the lands or potential lands;**

2 **“(b) Accept public comments for a period of no fewer than 20 days**
3 **following the public meeting in paragraph (a) of this subsection;**

4 **“(c) Make a determination that existing lands within an urban**
5 **growth boundary in this state would not meet the needs of the specific**
6 **project; and**

7 **“(d) Approve a plan by the owners of the land and each local gov-**
8 **ernment with jurisdiction over the land to rezone the land under sub-**
9 **section (7) of this section and to develop the land, within 18 months**
10 **after the date on which the executive order is issued, for industrial**
11 **uses under subsection (1) of this section.**

12 **“(4) The determination and approval made by the Governor under**
13 **subsection (3)(c) and (d) of this section are final and not subject to**
14 **appeal.**

15 **“(5) The Governor may designate up to a maximum of 12 sites, as**
16 **follows:**

17 **“(a) Two sites of any size;**

18 **“(b) Four sites that do not exceed 500 acres; and**

19 **“(c) Six sites that do not exceed 100 acres.**

20 **“(6) Notwithstanding any other provision of ORS 197.286 to 197.314**
21 **relating to amending an urban growth boundary or ORS 195.144 (2)(b)**
22 **or 197.626 or any statewide land use planning goal, lands designated in**
23 **an executive order under this section are considered within the ac-**
24 **knowledged urban growth boundary, as described in ORS chapter 197,**
25 **as of the date of the executive order.**

26 **“(7) Jurisdiction is conferred upon the Supreme Court to determine**
27 **the legal effect of subsections (1) to (6) of this section, including**
28 **whether subsections (1) to (6) of this section violate any provision of**
29 **the Oregon Constitution or of the United States Constitution. A person**
30 **who is or will be adversely affected by subsections (1) to (6) of this**

1 section may institute a proceeding for review of the order only by fil-
2 ing a petition with the Supreme Court within 60 days following the
3 effective date of this 2023 Act and serving a copy of the petition on the
4 Attorney General and Governor.

5 “(8) No later than six months following the entry of an executive
6 order under this section, each local government with jurisdiction over
7 the lands may, notwithstanding any statewide planning goals or ORS
8 215.431 or 227.188 or this chapter, amend its comprehensive plan or
9 enact or amend any land use regulation to allow the use of the land
10 for industrial uses under subsection (1) of this section provided that:

11 “(a) The enactment or amendment is passed by an ordinance of the
12 governing body of the county after a public hearing; and

13 “(b) A copy of the ordinance is delivered to the Land Conservation
14 and Development Commission within 14 days after passage.

15 “SECTION 11. Land brought within an acknowledged growth
16 boundary under section 10 of this 2023 Act shall be removed from the
17 urban growth boundary unless, on or before June 30, 2028:

18 “(1) Development of the land has been substantially completed; or

19 “(2) The land has been incorporated within an urban growth
20 boundary under ORS 197.286 to 197.314 or 197A.300 to 197A.325 and has
21 been reviewed under ORS 197.626.

22 “SECTION 12. Sections 10 and 11 of this 2023 Act are repealed on
23 January 2, 2029.

24 “SECTION 13. Sections 14 to 23 of this 2023 Act are added to and
25 made a part of ORS chapter 285B.

26 “SECTION 14. Definitions. As used in sections 14 to 23 of this 2023
27 Act:

28 “(1) ‘Administrative costs’ includes, but is not limited to, the direct
29 and indirect costs incurred by the Oregon Business Development De-
30 partment for:

1 “(a) Investigating and processing applications submitted under sec-
2 tion 19 of this 2023 Act;

3 “(b) Negotiating agreements for the purposes of sections 14 to 23
4 of this 2023 Act;

5 “(c) Monitoring the use of moneys provided to project sponsors
6 under sections 14 to 23 of this 2023 Act;

7 “(d) Closing a project; and

8 “(e) Providing financial assistance to a project sponsor.

9 “(2) ‘Brownfield’ has the meaning given that term in ORS 285A.185.

10 “(3)(a) ‘Development project’ means a project for the acquisition,
11 improvement, construction, demolition or redevelopment of publicly
12 or privately owned utilities, buildings, land, transportation facilities
13 or other facilities that assist the economic and community develop-
14 ment of a municipality.

15 “(b) ‘Development project’ includes planning project activities that
16 are necessary or useful to a development project as determined by the
17 department.

18 “(4) ‘Eligible project’ means a development project or a planning
19 project.

20 “(5) ‘Environmental action’ has the meaning given that term in
21 ORS 285A.188.

22 “(6) ‘Industrial land’ means land planned and zoned for industrial
23 use that:

24 “(a) Is suitable for new semiconductor industry uses, or the expan-
25 sion of existing semiconductor industry uses, that can provide signif-
26 icant additional employment in Oregon;

27 “(b) Has land characteristics that provide significant competitive
28 advantages that are difficult or impossible to replicate; and

29 “(c) Has access to transportation and freight infrastructure, in-
30 cluding, but not limited to, rail, port, airport, multimodal freight or

1 **transshipment facilities and other major transportation facilities or**
2 **routes.**

3 **“(7) ‘Planning project’ means:**

4 **“(a) A project related to a potential development project for pre-**
5 **liminary and final land use planning and engineering;**

6 **“(b) A survey, land investigation or environmental action;**

7 **“(c) A financial, technical or other feasibility report, study or plan;**

8 **or**

9 **“(d) Any activity that the department determines to be necessary**
10 **or useful in planning for a potential development project.**

11 **“(8) ‘Private owner’ means a private business entity or property**
12 **owner that has entered into an agreement with a local jurisdiction for**
13 **the development of public infrastructure to serve a private site.**

14 **“(9) ‘Project sponsor’ means:**

15 **“(a) A public entity or private owner of industrial land that is in-**
16 **vesting in the preparation of the land for a development project by a**
17 **third party; or**

18 **“(b) A public entity that has entered into a development or other**
19 **agreement with the private owner of industrial land to prepare the**
20 **land for a development project.**

21 **“(10) ‘Public entity’ means:**

22 **“(a) A city or county in Oregon;**

23 **“(b) A port formed under ORS 777.005 to 777.725;**

24 **“(c) The Port of Portland created by ORS 778.010;**

25 **“(d) The tribal council of a federally recognized Indian tribe in this**
26 **state; or**

27 **“(e) An airport district established under ORS chapter 838.**

28 **“(11) ‘Semiconductor industry use’ means the use of property to:**

29 **“(a) Construct, expand, or modernize a facility for the fabrication,**
30 **assembly, testing, advanced packaging or production of semiconduc-**

1 **tors, materials used to manufacture semiconductors or semiconductor**
2 **manufacturing equipment; or**

3 **“(b) Conduct research and development with respect to semicon-**
4 **ductors, materials used to manufacture semiconductors or semicon-**
5 **ductor manufacturing equipment.**

6 **“SECTION 15. Financial assistance for development projects. (1)(a)**
7 **The Oregon Business Development Department may provide financial**
8 **assistance to a project sponsor, for allowable costs expended for an**
9 **industrial land development project, from moneys in the Industrial**
10 **Lands Loan Fund established under section 23 of this 2023 Act, in ac-**
11 **cordance with this section.**

12 **“(b) The financial assistance may be in the form of a loan to the**
13 **project sponsor or the purchase of bonds issued by the project sponsor.**

14 **“(c) The department shall determine the amount of the financial**
15 **assistance on a case-by-case basis.**

16 **“(2) Financial assistance may be provided only with respect to a**
17 **development project that is:**

18 **“(a) Directly owned and operated by the project sponsor; or**

19 **“(b) The subject of a management contract or an operating agree-**
20 **ment to which the project sponsor is a party.**

21 **“(3)(a) If a development project consists solely of the purchase or**
22 **acquisition of land, financial assistance may be provided only if the**
23 **land is:**

24 **“(A) Identified in the applicable land use or capital plan as neces-**
25 **sary for a potential industrial land development project; or**

26 **“(B) Zoned solely for industrial use.**

27 **“(b) Notwithstanding paragraph (a) of this subsection, financial as-**
28 **sistance may not be denied under this subsection solely because the**
29 **costs of the development project include the costs of acquiring off-site**
30 **property for purposes that are directly related to the development**

1 **project, including, but not limited to, wetland mitigation.**

2 **“(4) Financial assistance provided to a project sponsor under this**
3 **section may not be used for:**

4 **“(a) The payment of:**

5 **“(A) A penalty or fine; or**

6 **“(B) Environmental remediation activities conducted at an indus-**
7 **trial land site that is listed or proposed to be listed as a national pri-**
8 **ority pursuant to the Comprehensive Environmental Response,**
9 **Compensation, and Liability Act of 1980 (42 U.S.C. 9605), for which the**
10 **project sponsor, or any party to the loan agreement entered into pur-**
11 **suant to section 20 of this 2023 Act to which the project sponsor is a**
12 **party, is liable under 42 U.S.C. 9607;**

13 **“(b) Retirement of debt;**

14 **“(c) Projects that primarily focus on relocating business or eco-**
15 **nomical activity from one part of the state to another, except in cases**
16 **where the business or economic activity would otherwise be located**
17 **outside Oregon; or**

18 **“(d) Ongoing operations or maintenance expenses of any person.**

19 **“(5) Contractors and subcontractors on development projects funded**
20 **under sections 14 to 23 of this 2023 Act must pay for such projects a**
21 **rate of wage that meets or exceeds the greater of:**

22 **“(a) The prevailing rate of wage for workers in each trade or occu-**
23 **pation in each locality as determined by the Commissioner of the Bu-**
24 **reau of Labor and Industries under ORS 279C.815; or**

25 **“(b) The prevailing rate of wage as determined by the United States**
26 **Secretary of Labor under the Davis-Bacon Act (40 U.S.C. 3141 et seq.).**

27 **“(6) The department shall adopt rules to administer and implement**
28 **the provisions of this section.**

29 **“SECTION 16. Forgivable loans for planning projects. (1)(a) The**
30 **Oregon Business Development Department may make a forgivable**

1 loan to a project sponsor, for allowable costs related to a planning
2 project, from moneys in the Industrial Lands Loan Fund established
3 under section 23 of this 2023 Act, in accordance with this section.

4 “(b) The department shall determine the amount of a forgivable
5 loan on a case-by-case basis.

6 “(2) The department may not expend in any biennium more than
7 one percent of the value of the Industrial Lands Loan Fund for plan-
8 ning projects.

9 “(3) A planning project eligible for a forgivable loan under this
10 section may:

11 “(a) Be a stand-alone project that is not intended to lead to a de-
12 velopment project.

13 “(b) Be a project that is intended to lead to a development project.

14 “(c) Include planning or investigation for an environmental action
15 on a brownfield.

16 “SECTION 17. Other forms of financial assistance. The Oregon
17 Business Development Department may directly or indirectly expend
18 or loan moneys in the Industrial Lands Loan Fund established under
19 section 23 of this 2023 Act or extend credit to:

20 “(1) Provide to project sponsors of an industrial land eligible project
21 any form of financial assistance that the department considers appro-
22 priate, including the refinancing of temporary project financing.

23 “(2) Purchase goods or services related to an eligible project on be-
24 half of the project sponsor.

25 “(3)(a) Finance guaranty agreements that are issued to guarantee
26 any portion of the obligation of a project sponsor to finance an in-
27 dustrial land development project and that are not sold to the State
28 of Oregon.

29 “(b) Guaranty agreements under this subsection shall be payable
30 solely from moneys in the fund and shall not constitute a debt or ob-

1 ligation of the State of Oregon.

2 “(c) The department may, on behalf of the state, establish a special
3 account in the fund and commit to deposit into the special account
4 specified portions of current and future moneys credited to the fund.

5 “(d) The commitments shall be made by rule of the department and
6 shall constitute covenants of the state for the benefit of the owners
7 of obligations guaranteed by the state pursuant to this section.

8 **“SECTION 18. Allowable costs. For purposes of sections 14 to 23 of
9 this 2023 Act:**

10 **“(1) The allowable costs of a development project include:**

11 **“(a) Property acquisition and assembly costs associated with creat-
12 ing large development parcels, including any easement or right of way
13 directly related to and necessary for a development project.**

14 **“(b) Transportation improvements such as access roads, rail spurs
15 and sidings, marine facility access, airport facilities necessary to pro-
16 vide industrial land access, intersections, turning lanes, signals, side-
17 walks, curbs, transit stops and storm drains.**

18 **“(c) Infrastructure for providing broadband, electric power, natural
19 gas, water and sewer service.**

20 **“(d) Natural resource mitigation.**

21 **“(e) Land grading activities.**

22 **“(f) Environmental remediation and mitigation activities to address
23 brownfield issues, in accordance with state and federally approved re-
24 mediation plans.**

25 **“(g) Interest-carrying costs incurred by a project sponsor for
26 amounts borrowed to develop industrial land and financing costs, in-
27 cluding capitalized interest.**

28 **“(h) Direct project management costs.**

29 **“(i) Costs of consultant services and expenses.**

30 **“(j) Construction costs and expenses.**

1 “(k) Costs of acquiring off-site property for purposes directly related
2 to a development project, including, but not limited to, wetland miti-
3 gation.

4 “(L) Other costs that the Oregon Business Development Depart-
5 ment determines to be necessary or useful for the project.

6 “(2) The allowable costs of a planning project include:

7 “(a) Necessary planning, engineering, legal and other professional
8 services associated with:

9 “(A) The preparation of applications for local, state and federal
10 permits and related administrative costs.

11 “(B) Carrying out the project and related administrative costs.

12 “(b) Other costs that the department determines to be necessary
13 or useful for the project.

14 “SECTION 19. Application process for financial assistance. (1)(a)
15 A project sponsor seeking financial assistance from the Industrial
16 Lands Loan Fund must submit an application in the manner and form
17 required by the Oregon Business Development Department.

18 “(b) At a minimum, each application must include:

19 “(A) The name and nature of the project sponsor;

20 “(B) A description of the nature of the project;

21 “(C) The provisions of sections 14 to 23 of this 2023 Act under which
22 the project is eligible for financial assistance;

23 “(D) The proposed activities to be funded;

24 “(E) A description and estimate of the allowable costs to be in-
25 curred for the project; and

26 “(F) All other information and documentation that the department
27 requires.

28 “(2)(a) The department shall review all timely and complete appli-
29 cations and approve or reject each application in accordance with rules
30 adopted by the department.

1 “(b) The department shall notify each applicant of its decision. The
2 rejection of an application may not be appealed.

3 “SECTION 20. Agreement for financial assistance. (1) Upon ap-
4 proval of an application submitted under section 19 of this 2023 Act,
5 the Oregon Business Development Department, notwithstanding any
6 other provision of law or any restriction on indebtedness contained in
7 a charter, and the project sponsor of the eligible project to which the
8 application relates may enter into an agreement for financial assist-
9 ance based on the application. The department shall determine the
10 maximum amount of financial assistance based on a reasonable and
11 prudent expectation of the ability of the project sponsor to repay the
12 financial assistance.

13 “(2) An agreement entered into pursuant to this section must in-
14 clude:

15 “(a) A provision that the obligation of the state under the agree-
16 ment is contingent on the availability of moneys in the Industrial
17 Lands Loan Fund for the financial assistance agreed upon.

18 “(b) A provision that grants the department a lien on, or a security
19 interest in, collateral to secure repayment of a loan made to, or bonds
20 issued by, the project sponsor, in a form and amount determined by
21 the department and specified in the agreement.

22 “(c) Provisions that the department considers necessary to ensure
23 expenditure of the funds for the purposes set forth in the approved
24 application.

25 “(d) Any other provision the department considers necessary or
26 appropriate.

27 “(3) For an eligible project owned by a public entity, a loan agree-
28 ment entered into pursuant to this section must be authorized by an
29 ordinance, resolution or order adopted by the governing body of the
30 project sponsor.

1 **“(4) In making a determination to enter into a loan agreement with**
2 **the project sponsor for an industrial land development project, the**
3 **department shall consider the reasonableness of the project sponsor’s**
4 **estimated costs to prepare the land for industrial use, including, but**
5 **not limited to, allowable costs for land preparation.**

6 **“(5) Financial assistance approved by the department for an eligible**
7 **project shall be paid, in accordance with the terms of the agreement**
8 **entered into pursuant to this section, from the Industrial Lands Loan**
9 **Fund established under section 23 of this 2023 Act.**

10 **“(6) In assisting project sponsors with eligible projects, and to meet**
11 **the goals of sections 14 to 23 of this 2023 Act, the department and other**
12 **state agencies shall cooperate to the greatest extent possible with each**
13 **other and federal agencies.**

14 **“SECTION 21. Repayment. (1) A project sponsor may repay financial**
15 **assistance provided for an eligible project under sections 14 to 23 of**
16 **this 2023 Act from any source, including, but not limited to:**

17 **“(a) Revenues generated by the eligible project, including special**
18 **assessment revenues.**

19 **“(b) Amounts withheld under section 22 of this 2023 Act.**

20 **“(c) The general fund of the project sponsor.**

21 **“(2) A plan for repayment to the Industrial Lands Loan Fund of fi-**
22 **nancial assistance provided for an industrial land development project:**

23 **“(a) Shall provide for repayment by the project sponsor of the fi-**
24 **nancial assistance with interest to begin no later than seven years**
25 **after the date of project completion or at such other time as the**
26 **Oregon Business Development Department may provide.**

27 **“(b) Shall provide for such evidence of debt assurance of, and se-**
28 **curity for, repayment by the project sponsor as is considered necessary**
29 **by the department.**

30 **“(c) Shall set forth a schedule of payments and the period of the**

1 loan, not to exceed the useful life of the contracted project or 30 years
2 from the date of the project completion, whichever is less, and the
3 manner of determining when loan payments are delinquent.

4 “(d) May provide for a reasonable extension of the time for making
5 any repayment as set forth under paragraph (c) of this subsection in
6 emergency or hardship circumstances, if approved by the department.

7 “(e) Shall include repayment of interest that accrues during any
8 period of delay in repayment authorized under paragraph (a) of this
9 subsection. The repayment of accrued interest may be in varying
10 amounts.

11 “(f) Shall allow for other forms of payment than principal and in-
12 terest payments on loans, in accordance with rules adopted by the
13 department.

14 **“SECTION 22. Breach; default. (1) If a project sponsor fails to**
15 **comply with sections 14 to 23 of this 2023 Act or an agreement entered**
16 **into under section 20 of this 2023 Act, the Oregon Business Develop-**
17 **ment Department may seek appropriate legal remedies to secure any**
18 **repayment of obligations due from the project sponsor to the Indus-**
19 **trial Lands Loan Fund.**

20 “(2)(a) If a project sponsor defaults on payments of obligations to
21 the fund under sections 14 to 23 of this 2023 Act, the State of Oregon
22 may withhold any amounts otherwise due to the project sponsor to
23 offset against the obligations. The department may waive this right
24 to withhold.

25 “(b) Moneys withheld under paragraph (a) of this subsection shall
26 be deposited in the fund and shall be used to repay any account in the
27 fund from which moneys were expended to pay obligations upon which
28 the project sponsor defaulted.

29 **“SECTION 23. Industrial Lands Loan Fund. (1)(a) The Industrial**
30 **Lands Loan Fund is established in the State Treasury, separate and**

1 distinct from the General Fund. Interest earned by the Industrial
2 Lands Loan Fund shall be credited to the fund.

3 “(b) Moneys in the fund are continuously appropriated to the
4 Oregon Business Development Department for the purposes set forth
5 in sections 14 to 23 of this 2023 Act. In addition, the department may
6 finance administrative costs incurred by the department under
7 sections 14 to 23 of this 2023 Act.

8 “(c) The department may establish other accounts within the fund
9 for the payment of project costs, reserves, debt service payments,
10 credit enhancement, administrative costs and operation expenses or
11 any other purpose necessary to carry out sections 14 to 23 of this 2023
12 Act.

13 “(2) Moneys in the fund may be invested as provided by ORS 293.701
14 to 293.857, and the earnings from the investments shall be credited to
15 the account in the fund designated by the department.

16 “(3) The fund shall consist of moneys credited to the fund, includ-
17 ing:

18 “(a) Moneys appropriated to the fund by the Legislative Assembly;

19 “(b) Moneys transferred to the fund by the department;

20 “(c) Earnings on moneys in the fund;

21 “(d) Repayment of financial assistance, including interest, under
22 sections 21 and 22 of this 2023 Act;

23 “(e) Moneys received from the federal, state or local governments;
24 and

25 “(f) Moneys, or the proceeds of assets, from any other public or
26 private source, including, but not limited to, grants and gifts.

27 “(4)(a) The department may commit moneys in the fund, or reserve
28 future income of the fund, for expenditure in future years in accord-
29 ance with this section.

30 “(b) The department may commit moneys or reserve future income

1 **under this subsection only after:**

2 **“(A) Allowing for contingencies; and**

3 **“(B) Determining that there will be sufficient unobligated net**
4 **moneys in the fund to make the future payments, consistent with the**
5 **requirements of this section.**

6 **“SECTION 24. The section captions used in this 2023 Act are pro-**
7 **vided only for the convenience of the reader and do not become part**
8 **of the statutory law of this state or express any legislative intent in**
9 **the enactment of this 2023 Act.**

10 **“SECTION 25. This 2023 Act being necessary for the immediate**
11 **preservation of the public peace, health and safety, an emergency is**
12 **declared to exist, and this 2023 Act takes effect on its passage.”.**

13
