

## HB 4042 A STAFF MEASURE SUMMARY

### House Committee On Economic Development and Small Business

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**Action Date:** 02/15/24

**Action:** Do pass with amendments. Refer to Revenue, then to Ways and Means by prior reference. (Printed A-Eng.)

**Vote:** 10-0-1-0

**Yeas:** 10 - Bynum, Diehl, Elmer, Lively, Nguyen D, Osborne, Pham H, Ruiz, Walters, Yunker

**Exc:** 1 - Javadi

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

**Prepared By:** Andrew Hendrie, LPRO Analyst

**Meeting Dates:** 2/6, 2/15

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#### WHAT THE MEASURE DOES:

The measure establishes the Industrial Site Loan Fund (ISLF) and appropriates \$40,000,000 to the fund from the General Fund. It authorizes the Oregon Business Development Department (OBDD) to provide financial assistance and forgivable loans from the ISLF to a project sponsor for allowable costs for an industrial land development project or a planning project in accordance with specified criteria. The measure extends the sunset on the Oregon Industrial Site Readiness Program from July 1, 2023 to December 31, 2034. Finally, the measure adds semiconductor-related development activities directly to the electronic commerce designation qualifications within the Oregon Enterprise Zone Act. It takes effect on the 91st day following adjournment sine die.

#### ISSUES DISCUSSED:

- Preparing industrial land to be used by business
- Small communities' use of the Oregon Industrial Site Readiness Program
- The importance of the Oregon Industrial Site Readiness Program to the state generally

#### EFFECT OF AMENDMENT:

The amendment adds semiconductor-related development activities directly to the electronic commerce designation qualifications within the Oregon Enterprise Zone Act in property tax years beginning on or after July 1, 2025.

#### BACKGROUND:

The Oregon Industrial Site Readiness Program (Program) was established in 2013 and replaced by SB333 in 2017 Session, to provide financial assistance to qualified project sponsors through tax reimbursement arrangements and loans, including forgivable loans. However, the Program Fund has not been capitalized to date and the Oregon Business Development Department (OBDD) has not provided loans to qualified project sponsors. Twelve Regionally Significant Industrial Sites have been designated and approved. Project sites represent 6,250 acres of industrial land that are expected to generate over 34,000 jobs. House Bill 4042 A creates the Industrial Site Loan Fund and appropriates \$40 million to the fund to provide financial assistance and forgivable loans to qualified projects.