

A-Engrossed
House Bill 4061

Ordered by the House February 16
Including House Amendments dated February 16

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Economic Development, Small Business, and Trade for Representative Daniel Nguyen)

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. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act would have Business Oregon give grants to small businesses for costs due to federal tariffs. The Act would have Business Oregon work with other state and local bodies to update the state's unified trade strategy. The Act would have DAS make a procurement reform roadmap by December 15 of this year. The Act would set up a task force to advise on how to retain business and private investment in this state. (Flesch Readability Score: 60.0).

[Digest: The Act would have Business Oregon work with other state and local bodies to update the state's unified trade strategy. The Act would have DAS make a procurement reform roadmap by December 15 of this year. The Act would set up a task force to advise on how to retain business and private investment in this state. (Flesch Readability Score: 61.3.)]

Directs the Oregon Business Development Department to set up a program for micro-enterprise tariff adjustment grants to small businesses for costs increased by federal tariffs.

Directs the Oregon Business Development Department to collaborate with the Port of Portland, the Oregon Tourism Commission, the State Department of Agriculture and other stakeholders on updating the unified trade strategy for Oregon.

Directs the Oregon Department of Administrative Services to produce a procurement reform roadmap and deliver the roadmap to a committee or interim committee of the Legislative Assembly related to general government no later than December 15, 2026.

Establishes the Task Force on Business Retention for the purpose of making recommendations to the Legislative Assembly for improving strategies to retain businesses and private investment in this state.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to a unified trade strategy for Oregon; and declaring an emergency.

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

4 **SECTION 1. There is allocated for the biennium ending June 30, 2027, from the Admin-**
5 **istrative Services Economic Development Fund, to the Oregon Business Development De-**
6 **partment, the amount of \$950,000 for the purposes set forth in section 2 of this 2026 Act.**

7 **SECTION 2. (1) The Oregon Business Development Department shall establish a program**
8 **to award micro-enterprise tariff adjustment grants to small businesses to cover significant**
9 **increases in business costs due to tariffs recently imposed by the federal government.**

10 **(2) A business is eligible for a grant if:**

11 **(a) The business's headquarters or principal operations are in Oregon;**

12 **(b) As of the date on which an application is filed pursuant to this section, the business**
13 **has been operating for at least two years;**

14 **(c) The business has annual sales of not more than \$500,000; and**

15 **(d) The business can demonstrate a significant increase in business costs due to tariffs**
16 **recently imposed by the federal government.**

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 (3)(a) The department shall adopt rules to establish an application process, including but
2 not limited to:

3 (A) An application form;

4 (B) Information and documentation to be included with the application to establish the
5 business's eligibility for a grant;

6 (C) Deadlines; and

7 (D) Any other provisions the department considers necessary or useful to the application
8 process or the conduct of the grant program.

9 (b) A grant may be awarded in an amount not to exceed \$10,000 for any business whose
10 application is approved.

11 (c) The rejection of a grant application may not be appealed, but an eligible business may
12 reapply for a grant at any time.

13 **SECTION 3.** Section 2 of this 2026 Act is repealed on January 2, 2029.

14 **SECTION 4.** The Oregon Business Development Department, in collaboration with the
15 Port of Portland, the Oregon Tourism Commission, the State Department of Agriculture and
16 other stakeholders selected by the Oregon Business Development Department, shall update
17 the unified trade strategy for Oregon, including, but not limited to:

18 (1) Identifying opportunities to increase Oregon's presence in foreign markets, including
19 in-market capacity for emerging markets;

20 (2) Supporting outbound and inbound trade missions for government and businesses, in-
21 cluding support with aligned messaging;

22 (3) Promoting Oregon exports and attracting foreign direct investments in Oregon; and

23 (4) Providing technical assistance to Oregon exporters, including those impacted by
24 tariffs, to support international market access and business expansion.

25 **SECTION 5.** (1) The Oregon Department of Administrative Services shall produce a pro-
26 curement reform roadmap. The roadmap must include:

27 (a) A legal analysis of current procurement laws to identify barriers to effective local
28 procurement, especially for businesses in economically distressed communities.

29 (b) A plan and timeline for assessment of state procurement spending to enable the de-
30 partment to determine what proportions of spending go to entities in this state and outside
31 this state.

32 (c) A plan and timeline to enable the department to complete a tax impact analysis
33 comparing local and nonlocal contracts.

34 (d) A review of existing best practices being used by this state and other states with re-
35 gard to procurement.

36 (e) Recommendations for implementation.

37 (2)(a) The department shall deliver and report on a draft procurement reform roadmap
38 to a committee or interim committee of the Legislative Assembly relating to general gov-
39 ernment no later than September 15, 2026.

40 (b) The department shall deliver and report on the final procurement reform roadmap to
41 a committee or interim committee of the Legislative Assembly relating to general govern-
42 ment no later than December 15, 2026.

43 **SECTION 6.** Section 5 of this 2026 Act is repealed on January 2, 2027.

44 **SECTION 7.** (1) The Task Force on Business Retention is established for the purpose of
45 making recommendations to the Legislative Assembly for improving strategies to retain

1 **businesses and private investment in this state.**

2 **(2) The task force consists of nine members appointed as follows:**

3 **(a) The President of the Senate shall appoint two nonvoting members from among**
4 **members of the Senate, one from the majority party and one from the minority party.**

5 **(b) The Speaker of the House of Representatives shall appoint two nonvoting members**
6 **from among members of the House of Representatives, one from the majority party and one**
7 **from the minority party.**

8 **(c) The Governor shall appoint five members as follows:**

9 **(A) The Governor or the Governor's designee.**

10 **(B) One member representing the Oregon Economic Development Association.**

11 **(C) One member representing an economic development organization serving the**
12 **Portland metro region.**

13 **(D) One member representing an economic development organization serving communi-**
14 **ties west of the Cascades.**

15 **(E) One member representing an economic development organization serving communi-**
16 **ties east of the Cascades.**

17 **(3) The task force, in collaboration with any other task force established by the Legisla-**
18 **tive Assembly and charged with a scope of work that overlaps or intersects with the work**
19 **of the Task Force on Business Retention, shall develop recommendations to:**

20 **(a) Solicit input from existing businesses and economic development organizations to in-**
21 **form the work of the task force.**

22 **(b) Expand and enhance business incentive programs to compete more effectively with**
23 **other states.**

24 **(c) Consolidate and streamline existing business retention and recruitment programs.**

25 **(d) Increase proactive communication with businesses to understand their needs and**
26 **concerns.**

27 **(e) Encourage collaboration between state, regional and local economic development or-**
28 **ganizations to create a cohesive and integrated approach to business retention and recruit-**
29 **ment.**

30 **(f) Provide targeted support for businesses looking to expand within Oregon.**

31 **(4) Recommendations developed under subsection (3) of this section must include:**

32 **(a) Statutory changes needed to ensure that federal, state and local funds are being spent**
33 **to maximize outcomes and resource efficiency;**

34 **(b) Policy changes recommended based on a comparative analysis of policies in other**
35 **states that spend less on business incentives but demonstrate better business retention and**
36 **growth outcomes; and**

37 **(c) Any governance changes that would facilitate greater alignment of spending decisions**
38 **between federal, state and local economic development agencies.**

39 **(5) A majority of the voting members of the task force constitutes a quorum for the**
40 **transaction of business.**

41 **(6) Official action by the task force requires the approval of a majority of the voting**
42 **members of the task force.**

43 **(7) The task force shall elect one of its members to serve as chairperson.**

44 **(8) If there is a vacancy for any cause, the appointing authority shall make an appoint-**
45 **ment to become immediately effective.**

1 **(9) The task force shall meet at times and places specified by the call of the chairperson**
2 **or of a majority of the voting members of the task force.**

3 **(10) The task force may adopt rules necessary for the operation of the task force.**

4 **(11) The task force shall submit, in the manner provided by ORS 192.245, a report of the**
5 **task force's recommendations developed under subsections (3) and (4) of this section to the**
6 **interim committees of the Legislative Assembly related to economic development no later**
7 **than December 15, 2026.**

8 **(12) The Legislative Policy and Research Director shall provide staff support to the task**
9 **force, including by:**

10 **(a) Researching and providing analysis on current business retention strategies in**
11 **Oregon communities;**

12 **(b) Reviewing strategies that have been successful in other states;**

13 **(c) Reviewing data related to the challenges faced by Oregon businesses in remaining in**
14 **or growing in Oregon; and**

15 **(d) Reviewing programs offered by state and local economic development agencies.**

16 **(13) Members of the Legislative Assembly appointed to the task force are nonvoting**
17 **members of the task force and may act in an advisory capacity only.**

18 **(14) Members of the task force who are not members of the Legislative Assembly serve**
19 **as volunteers on the task force and are not entitled to compensation or reimbursement for**
20 **expenses.**

21 **(15) All agencies of state government, as defined in ORS 174.111, are directed to assist**
22 **the task force in the performance of the duties of the task force and, to the extent permitted**
23 **by laws relating to confidentiality, to furnish information and advice that the members of**
24 **the task force consider necessary to perform their duties.**

25 **SECTION 8.** **Section 7 of this 2026 Act is repealed on December 31, 2027.**

26 **SECTION 9.** **This 2026 Act being necessary for the immediate preservation of the public**
27 **peace, health and safety, an emergency is declared to exist, and this 2026 Act takes effect**
28 **on its passage.**

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