

# House Bill 2012

Sponsored by Representatives KOTEK, BENTZ

## 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**.

Defines Eastern Oregon Border Economic Development Region.

Establishes Eastern Oregon Border Economic Development Board, in collaboration with Oregon Business Development Department, to formulate and implement policies and practices for strategic investment in workforce development and economic development in Eastern Oregon Border Economic Development Region and to make grants or loans to eligible applicants to encourage workforce development and economic development in region. Sets forth duties, functions and responsibilities of department and board.

Establishes Eastern Oregon Border Economic Development Board Fund and appropriates monies to department for board for purposes set forth in Act.

Authorizes issuance of lottery bonds for workforce development and economic development in region.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to Eastern Oregon Border Economic Development Region; and declaring an emergency.

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

4 **SECTION 1. As used in sections 1, 2 and 4 to 7 of this 2017 Act:**

5 (1) **"County governing body" means either the county court or board of county commis-**  
6 **sioners of the county.**

7 (2) **"Eastern Oregon Border Economic Development Region" or "region" means that part**  
8 **of this state that is within 20 miles of the Oregon border with the State of Idaho, that in-**  
9 **cludes, but is not limited to, the cities of Ontario, Vale and Nyssa and that is no more than**  
10 **15 miles from the north boundary of the region to the south boundary of the region, as fur-**  
11 **ther defined by rules adopted by the Eastern Oregon Border Economic Development Board**  
12 **in consultation with the Oregon Business Development Department.**

13 (3) **"Economic development" means development that:**

14 (a) **Relates to and supports the economic health or recovery of the region, business en-**  
15 **terprise and activities in the region or development or expansion of regionally significant**  
16 **industrial sites in the region;**

17 (b) **Creates jobs or prevents the loss of jobs in the region; or**

18 (c) **Promotes or expands businesses or prevents the decline of businesses located or to**  
19 **be located in the region.**

20 (4) **"Local government" has the meaning given that term in ORS 174.116.**

21 (5) **"Regionally significant industrial site" has the meaning given that term in ORS**  
22 **285B.626.**

23 (6) **"Traded sector" has the meaning given that term in ORS 285A.010.**

24 (7) **"Workforce development" means activities or services that assist individuals to attain**  
25 **employment, progress along career pathways or establish and maintain businesses and that**

**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 promote economic development by making skilled employees more readily available.

2 “Workforce development” includes:

3 (a) Education, training and apprenticeships;

4 (b) Labor market analysis;

5 (c) Employment and reemployment assistance;

6 (d) Employee recruitment and retention;

7 (e) Workforce programs that have a primary mission of helping individuals become em-  
8 ployed, retain employment, increase wages, progress along career pathways or establish and  
9 maintain businesses; and

10 (f) Convening, coordinating, oversight and evaluation activities and services for business  
11 and state workforce agencies.

12 **SECTION 2.** (1) The Eastern Oregon Border Economic Development Board is established  
13 to formulate and implement strategies and practices for strategic investment in workforce  
14 development and economic development in the Eastern Oregon Border Economic Develop-  
15 ment Region and to make grants or loans to eligible applicants for the purpose of encour-  
16 aging workforce development and economic development in the region.

17 (2) The board shall consist of seven voting members and one nonvoting member as fol-  
18 lows:

19 (a) The Governor shall appoint seven voting members from a list of eligible appointees  
20 with expertise in business, education, workforce development or economic development pro-  
21 vided by the county governing body within the Eastern Oregon Border Economic Develop-  
22 ment Region. The Governor shall request an updated list of eligible appointees from the  
23 county governing body within the Eastern Oregon Border Economic Development Region for  
24 the purpose of making appointments when vacancies occur.

25 (b) The Director of the Oregon Business Development Department, or the director’s  
26 designee, shall be an ex officio nonvoting member of the board.

27 (3) The term of office of each member of the board who is not an ex officio member is  
28 four years but serves at the pleasure of the Governor. Before the expiration of the term of  
29 a member who is not an ex officio member, the Governor shall appoint a successor whose  
30 term begins on January 1 next following. A member is eligible for reappointment for a total  
31 of two consecutive terms. If there is a vacancy for any cause, the Governor shall make an  
32 appointment to become immediately effective for the unexpired term.

33 (4) The Governor shall appoint one voting member of the board as the chairperson.

34 (5) A voting member of the board is entitled to compensation and expenses as provided  
35 in ORS 292.495.

36 (6) A majority of the voting members of the board constitutes a quorum for the trans-  
37 action of business.

38 (7)(a) The board shall meet at least once every three months at a time and place deter-  
39 mined by the chairperson. The board also may meet at other times and places specified by  
40 the call of the chairperson or of a majority of the members of the board.

41 (b) Meetings of the board are subject to ORS 192.610 to 192.690 governing public meetings  
42 and ORS 192.410 to 192.505 governing public records.

43 (8)(a) The board may establish any advisory or technical committee the board considers  
44 necessary to aid and advise the board in the performance of its functions. The committees  
45 may be continuing or temporary committees. The board shall determine the representation,

1 membership, terms and organization of the committees and shall appoint the members of the  
2 committees.

3 (b) Members of the committees are not entitled to compensation but, in the discretion  
4 of the board, may be reimbursed from funds available to the board for actual and necessary  
5 travel and other expenses incurred by the members in the performance of official duties in  
6 the manner and amount provided in ORS 292.495.

7 (9) The Oregon Business Development Department shall provide staff to the board as  
8 necessary to allow the board to carry out the board's responsibilities under sections 1, 2 and  
9 4 to 7 of this 2017 Act.

10 **SECTION 3.** Notwithstanding the term of office specified by section 2 of this 2017 Act,  
11 of the voting members first appointed to the board:

12 (1) Two shall serve for a term ending December 31, 2018.

13 (2) Two shall serve for a term ending December 31, 2019.

14 (3) Two shall serve for a term ending December 31, 2020.

15 (4) One shall serve for a term ending December 31, 2021.

16 **SECTION 4.** The Eastern Oregon Border Economic Development Board, in collaboration  
17 with and with the assistance of the Oregon Business Development Department, has the fol-  
18 lowing duties, functions and powers:

19 (1) To identify policies and strategies that will promote workforce and economic growth,  
20 facilitate development or prevent decline of regionally significant industrial sites and create  
21 or maintain jobs in the Eastern Oregon Border Economic Development Region.

22 (2) To make recommendations to the Legislative Assembly for policies and strategies that  
23 improve the availability of career and technical education, workforce training programs and  
24 higher education for the purpose of improving the availability of a qualified workforce for  
25 employers in the Eastern Oregon Border Economic Development Region.

26 (3) To identify specific land use laws, rules and regulations that place specific workforce  
27 development or economic development efforts in the Eastern Oregon Border Economic De-  
28 velopment Region at a competitive disadvantage to the same type of efforts in the areas  
29 across the Oregon border. Upon identifying a specific law, rule or regulation, the board:

30 (a) May recommend to the Department of Land Conservation and Development or the  
31 Land Conservation and Development Commission that the department or commission con-  
32 sider exceptions or waivers to the law, rule or regulation where permitted by law to assist  
33 in workforce development and economic development efforts in the region. Within 60 days  
34 of receiving a recommendation from the board under this paragraph, the Department of  
35 Land Conservation and Development or the Land Conservation and Development Commission  
36 shall review the recommendation and hold one or more public hearings in the region to de-  
37 termine whether:

38 (A) An exception or waiver can be made for the purpose of furthering workforce devel-  
39 opment or economic development in the Eastern Oregon Border Economic Development Re-  
40 gion; and

41 (B) The law, rule or regulation has posed a repeated disadvantage to workforce develop-  
42 ment and economic development in the region in the last five years compared to comparable  
43 laws, rules or regulations applied in Idaho.

44 (b) If the Department of Land Conservation and Development or the Land Conservation  
45 and Development Commission determines that an exception or waiver may not be made un-

1 der paragraph (a) of this subsection, may recommend to the Department of Land Conserva-  
2 tion and Development, the Land Conservation and Development Commission or the  
3 Legislative Assembly that a specific exception or waiver be allowed for the purpose of  
4 workforce development or economic development in the region.

5 (4) Subject to the availability of funds in the Eastern Oregon Border Economic Develop-  
6 ment Board Fund, to make grants and loans to qualified applicants in accordance with sec-  
7 tion 5 of this 2017 Act, not to exceed a total of 10 active grants and loans at any one time.

8 (5) To establish a means to evaluate grants and loans made by the board and the de-  
9 partment, including, but not limited to, the number of businesses or regionally significant  
10 industrial sites assisted, the types and amount of resources leveraged, return on investment  
11 criteria, performance and outcome measures and methods to evaluate the impact on jobs and  
12 wages in the area of the Eastern Oregon Border Economic Development Region to which  
13 grant or loan moneys were applied or utilized.

14 (6) To facilitate collaboration among employers, local governments, state agencies and  
15 stakeholders for the purpose of enhancing and expanding workforce development and eco-  
16 nomic development in the region.

17 (7) To consult with school districts and institutions of higher education in identifying  
18 policies and strategies that will enhance and promote workforce development and economic  
19 development.

20 (8) To report annually on or before December 31 of each year to standing and interim  
21 committees of the Legislative Assembly related to business and economic development re-  
22 garding implementation and administration of the Eastern Oregon Border Economic Develop-  
23 ment Board and grants and loans made by the board and the department pursuant to  
24 section 5 of this 2017 Act. The report may include recommendations regarding proposed leg-  
25 islation and strategies to improve workforce development and economic development in the  
26 region.

27 **SECTION 5.** (1) Subject to the availability of funds in the Eastern Oregon Border Eco-  
28 nomic Development Board Fund, the Eastern Oregon Border Economic Development Board  
29 may award grants and loans to eligible applicants to enhance and expand workforce devel-  
30 opment or economic development in the Eastern Oregon Border Economic Development Re-  
31 gion. The board shall make the decision to approve and award grants and loans under this  
32 subsection but the Oregon Business Development Department shall be responsible for the  
33 actual payment of such awards from the Eastern Oregon Border Economic Development  
34 Board Fund.

35 (2) Eligible applicants include, but are not limited to:

36 (a) Local governments;

37 (b) Institutions of higher education as defined in ORS 348.582;

38 (c) Private or nonprofit businesses with their principal places of business or the majority  
39 of their workforces located in the Eastern Oregon Border Economic Development Region;

40 (d) Small business development centers established under ORS 285B.165 to 285B.171;

41 (e) Economic development organizations;

42 (f) School districts; and

43 (g) Other entities as defined by the board by rule.

44 (3) An eligible applicant may apply for a grant or loan by submitting an application in  
45 accordance with rules adopted by the board in consultation with the department. The rules

1 must establish criteria for the award of grants or loans under this section that provide, at  
 2 a minimum, that the applicant must demonstrate the grant or loan moneys will be used for:

3 (a) Economic development that will lead to private investment, job creation or retention  
 4 and the establishment or expansion of viable businesses in the region;

5 (b) Expansion of a transportation infrastructure sufficient to facilitate moving traded  
 6 sector goods or services in the region to market;

7 (c) Enhancing and expanding workforce development in the region that is responsive to  
 8 the needs of the region's businesses and industries;

9 (d) Connection of electrical power, water and sewer utilities and communication and  
 10 transportation infrastructure to a regionally significant industrial site; or

11 (e) Provision of support services and technical assistance to entrepreneurs and business  
 12 owners in the region including, but not limited to, small business development centers es-  
 13 tablished under ORS 285B.165 to 285B.171.

14 (4) Applications for loans must contain:

15 (a) A plan for repayment by the applicant to the Eastern Oregon Border Economic De-  
 16 velopment Board Fund of moneys borrowed from the fund plus interest; and

17 (b) If required by the department and the board, evidence of debt assurance of, or secu-  
 18 rity for, repayment by the applicant.

19 (5) Loans made under this section may not be for a loan term that exceeds the usable life  
 20 of the work or project for which the loan funds will be used or a specified number of years  
 21 from completion, whichever is less.

22 (6) Grants and loans made under this section are payable solely from the Eastern Oregon  
 23 Border Economic Development Board Fund established under section 7 of this 2017 Act.  
 24 Amounts paid as grants and loans shall not constitute a debt of the state or a lending of the  
 25 credit of the state within the meaning of any constitutional or statutory limitation, although  
 26 nothing in this section is intended to impair the exercise of rights granted against the se-  
 27 curity for a loan, if any.

28 (7) The Oregon Business Development Department shall assist the board in evaluating  
 29 and approving applications for grants and loans under this section by:

30 (a) Evaluating timelines for accomplishment of work and projects for which grant and  
 31 loan moneys requested in the application will be used;

32 (b) Investigating whether necessary permits for development, if needed, have been or can  
 33 be secured in a timely manner; and

34 (c) Recommending how to maximize use of grant and loan moneys to ensure successful  
 35 completion of the work or project for which the grant or loan moneys will be used.

36 **SECTION 6.** The Eastern Oregon Border Economic Development Board, in consultation  
 37 with the Oregon Business Development Department, shall adopt rules to implement and ad-  
 38 minister the provisions of sections 1, 2 and 4 to 7 of this 2017 Act.

39 **SECTION 7.** (1) The Eastern Oregon Border Economic Development Board Fund is es-  
 40 tablished in the State Treasury, separate and distinct from the General Fund. Interest  
 41 earned by the Eastern Oregon Border Economic Development Board Fund shall be credited  
 42 to the fund.

43 (2) Moneys in the Eastern Oregon Border Economic Development Board Fund consist of:

44 (a) Amounts donated to the fund;

45 (b) Moneys transferred to the fund from the federal government, state agencies or local

1 **governments;**

2 (c) **Amounts appropriated or otherwise transferred to the fund by the Legislative As-**  
3 **sembly;**

4 (d) **Lottery bond proceeds approved by the Legislative Assembly for deposit in the fund;**

5 (e) **Earnings received on moneys in the fund; and**

6 (f) **Other amounts deposited in the fund from any source.**

7 (3) **Moneys in the fund are continuously appropriated to the Oregon Business Develop-**  
8 **ment Department for the use of the Eastern Oregon Border Economic Development Board**  
9 **for the purposes set forth in sections 1, 2 and 4 to 7 of this 2017 Act.**

10 (4) **The Oregon Business Development Department and the Eastern Oregon Border Eco-**  
11 **nomical Development Board may expend up to one percent of moneys available in the fund for**  
12 **administrative costs and expenses incurred by the department or board in administering the**  
13 **fund and implementing sections 1, 2 and 4 to 7 of this 2017 Act.**

14 **SECTION 8. (1) For the biennium beginning July 1, 2017, at the request of the Oregon**  
15 **Business Development Department, after the department consults with the Eastern Oregon**  
16 **Border Economic Development Board, the State Treasurer is authorized to issue lottery**  
17 **bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$10 million in net**  
18 **proceeds and interest earning for the purpose described in subsection (2) of this section, plus**  
19 **an additional amount estimated by the State Treasurer to be necessary to pay bond-related**  
20 **costs.**

21 (2) **Net proceeds of lottery bonds issued under this section in an amount sufficient to**  
22 **provide \$10 million in net proceeds and interest earnings must be transferred to the depart-**  
23 **ment for deposit in the Eastern Oregon Border Economic Development Board Fund estab-**  
24 **lished under section 7 of this 2017 Act for distribution to the Eastern Oregon Border**  
25 **Economic Development Board for the purposes set forth in sections 1, 2 and 4 to 7 of this**  
26 **2017 Act as those purposes relate to workforce development and economic development.**

27 (3) **The Legislative Assembly finds that the use of lottery bond proceeds will create jobs,**  
28 **further economic development, finance public education and restore and protect parks,**  
29 **beaches, watersheds and native fish and wildlife, and is authorized based on the following**  
30 **findings:**

31 (a) **Workforce development as defined in section 1 of this 2017 Act, including but not**  
32 **limited to activities or services that assist individuals to attain employment, progress along**  
33 **career pathways or establish and maintain businesses and that promote economic develop-**  
34 **ment by making skilled employees more readily available will create jobs and lead to en-**  
35 **hanced economic development; and**

36 (b) **Making grants or loans to eligible entities in the Eastern Oregon Border Economic**  
37 **Development Region will create jobs and promote, expand or prevent the decline of busi-**  
38 **nesses that lead to economic development in the region.**

39 **SECTION 9. This 2017 Act being necessary for the immediate preservation of the public**  
40 **peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect**  
41 **on its passage.**

42