

CHAPTER 546

AN ACT

HB 3410

Relating to economic development; creating new provisions; amending section 3, chapter 537, Oregon Laws 2021; and declaring an emergency.

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

SECTION 1. There is appropriated to the Higher Education Coordinating Commission, for the biennium beginning July 1, 2023, out of the General Fund, the amount of \$3,500,000 for distribution in accordance with section 2 of this 2023 Act.

SECTION 2. The Higher Education Coordinating Commission shall distribute the moneys appropriated under section 1 of this 2023 Act as follows:

(1) \$2 million to the Oregon State University Extension Service for distribution to the Center for the Outdoor Recreation Economy to be used for the purpose of developing professional and workforce development programs for the outdoor recreation economy in order to address critical and urgent skill gaps in specialized, technical and leadership roles.

(2) \$1 million to the Oregon State University Extension Service for distribution to the Center for the Outdoor Recreation Economy to be used for the purpose of developing a program to provide facilitation services and technical assistance grants to communities affected by wildfire for community engagement in the planning and construction of outdoor recreation facilities to support the communities' economic recovery. The center shall work with the Oregon State University Extension Service in developing the program under this subsection.

(3)(a) \$500,000 to Oregon State University-Cascades to outfit a fabrication and maker space at the university in order to support prototyping of new products by outdoor recreation economy entrepreneurs in rural and central Oregon.

(b) As used in this subsection, "rural" means any area in this state that is outside:

(A) The acknowledged urban growth boundaries of all cities with a population greater than 50,000; and

(B) Any urbanized area contiguous to a city described in subparagraph (A) of this paragraph.

SECTION 3. Notwithstanding any other law limiting expenditures, the amount of \$500,000 is established for the biennium beginning July 1, 2023, as the maximum limit for payment of expenses from lottery moneys allocated from the Administrative Services Economic Development Fund to the Oregon Business Development De-

partment for the purpose of awarding matching grants under section 5 of this 2023 Act.

SECTION 4. As used in this section and section 5 of this 2023 Act:

(1) "Business accelerator" means a company:

(a) Operating principally in this state;

(b) With demonstrated success in operating educational programs in which outdoor gear and apparel industry veterans mentor cohorts of founders of emerging outdoor gear and apparel industry companies located in this state; and

(c) Whose purpose is to help incubate and accelerate the growth of emerging companies.

(2) "Membership organization" means a non-profit organization:

(a) Operating principally in this state;

(b) Consisting of member businesses from the outdoor gear and apparel industry whose principal place of business is in this state; and

(c) That has the purpose of growing the outdoor gear and apparel industry at the state or regional level.

(3) "Outdoor gear and apparel industry" means all traded sector businesses that manufacture gear and apparel for use in outdoor recreation.

(4) "Outdoor recreation" means activities undertaken for pleasure outdoors in natural environments.

(5) "Traded sector" has the meaning given that term in ORS 285B.280.

SECTION 5. (1)(a) The Oregon Business Development Department shall use the expenditure authority under section 3 of this 2023 Act to award matching grants to membership organizations and business accelerators in accordance with this section.

(b) Matching grants awarded under this section must be used by the receiving membership organizations and business accelerators for the purposes of capacity building and technical assistance in the outdoor gear and apparel industry.

(2)(a) The department shall provide public notice whenever there are funds available for matching grants under this section.

(b) The notice must include information about the requirements for eligibility and the application process for the matching grants.

(3)(a) A membership organization or business accelerator seeking a matching grant under this section must file with the department an application in accordance with rules adopted by the department pursuant to paragraph (c) of this subsection. The information included with the application must demonstrate that the applicant is a membership organization or business accelerator.

(b) The department may charge an application fee in an amount that does not exceed the actual costs incurred by the department in

processing applications filed pursuant to this section.

(c) The department shall adopt rules that establish the application process for matching grants awarded under this section.

(4) The department may not pay the amount of a matching grant to a membership organization or business accelerator unless the recipient has entered into a grant agreement with the department that establishes the deliverables required from, and other goals to be met by, the recipient.

SECTION 6. No later than September 15, 2024, the Oregon Business Development Department shall submit, in the manner provided in ORS 192.245, a report that sets forth the investments made pursuant to section 5 of this 2023 Act to the interim committees of the Legislative Assembly related to economic development.

SECTION 7. Sections 4 and 5 of this 2023 Act are repealed on January 2, 2026.

SECTION 8. In addition to and not in lieu of any other appropriation, there is appropriated to the Oregon Department of Administrative Services, for the biennium beginning July 1, 2023, out of the General Fund, the amount of \$10,000,000, to provide a grant to the Regional Rural Revitalization Strategies Consortium, established as an intergovernmental agreement under ORS 190.003 to 190.130, to provide planning, infrastructure, capital equipment and pre-development costs for housing, to award grants and loans to capacity builders and developers of housing and to enter into public-private partnerships for the development of housing. Housing supported with moneys appropriated under this section may be located in any area of this state, except for within the urban growth boundary of a city with a population greater than 50,000.

SECTION 9. Notwithstanding any other law limiting expenditures, the amount of \$3,000,000 is established for the biennium beginning July 1, 2023, as the maximum limit for payment of expenses from lottery moneys allocated from the Administrative Services Economic Development Fund to the Oregon Business Development Department for the purpose of awarding grants under section 10 of this 2023 Act.

SECTION 10. (1) As used in this section:

(a) “County fair” and “county fairgrounds” have the meanings given those terms in ORS 565.010.

(b) “County fair operator” means a county fair board, fair association or fair district that operates a county fair.

(c)(A) “Earned revenue” means revenue from the sale of goods or services, including, but not limited to, admission tickets, charges for ser-

vices, rentals, permits and fees, merchandise, food and beverages, advertising and contracted services and performances.

(B) “Earned revenue” does not include other sources of revenue, including, but not limited to, donations, federal, state and local governmental grants or returns on investments.

(d) “Fair association” has the meaning given that term in ORS 565.268.

(e) “Fair district” means an entity described in ORS 565.275.

(2) The Oregon Business Development Department shall develop and implement a program for awarding grants directly to county fair operators for the operation of county fairs and the maintenance and repair of county fairgrounds.

(3) To be eligible for a grant, a county fair operator must demonstrate to the department’s satisfaction that, at any time after February 29, 2020, and before June 30, 2023, the operator experienced a significant loss in earned revenue from the operation of a county fair or county fairgrounds because of statewide mandates, or guidance of the Oregon Health Authority, in response to the COVID-19 pandemic.

(4)(a) The department shall prescribe the form and process, including the application period, by which county fair operators may apply for and be awarded grants under the program.

(b) Applications must, at a minimum, require applicants to state their lost earned revenue as described in subsection (3) of this section.

(c) For purposes of reviewing applications, the department may require applicants to provide:

(A) The applicant’s federal tax return for the periods to which the application relates; and

(B) Financial documentation, including, but not limited to, audited financial statements or financial statements that have been approved by a certified public accountant.

(5) Before awarding grants, the department may withhold an amount not to exceed five percent of the total amount allocated under section 9 of this 2023 Act to reimburse the department for the actual costs of developing and implementing the program.

(6) The department shall award grants to reimburse county fair operators for lost earned revenue supported by their applications as follows:

(a) If the total of all grant award amounts exceeds \$3 million, less any amount withheld under subsection (5) of this section, the amounts shall be reduced proportionally until they equal \$3 million, less any amount withheld under subsection (5) of this section; or

(b) If the total of all grant award amounts is less than \$3 million, less any amount withheld under subsection (5) of this section, the amounts shall be increased proportionally until they

equal \$3 million, less any amount withheld under subsection (5) of this section.

SECTION 11. Notwithstanding any other law limiting expenditures, the amount of \$3,000,000 is established for the biennium beginning July 1, 2023, as the maximum limit for payment of expenses from lottery moneys allocated from the Administrative Services Economic Development Fund to the Oregon Business Development Department for the purposes of ORS 285B.165 to 285B.171.

SECTION 12. In addition to and not in lieu of any other appropriation, there is appropriated to the Oregon Department of Administrative Services, for the biennium beginning July 1, 2023, out of the General Fund, the amount of \$1,190,000, for distribution to the Oregon Coast Visitors Association to be expended in accordance with section 13 of this 2023 Act.

SECTION 13. Moneys distributed to the Oregon Coast Visitors Association by the Oregon Department of Administrative Services under section 12 of this 2023 Act shall be expended in the following amounts for the following purposes:

(1) \$190,000 to develop a geographic information systems tool for food systems with blue economy layers. The tool shall be developed to connect food producers and food technology businesses to suitable sites for start-up or expansion with the goal of capturing more value from Oregon's natural resources and agricultural and seafood industries.

(2) \$700,000 to fill gaps in regional food system aggregation and production infrastructure and leverage existing regional food system coordination capacity in such a way as to immediately benefit Oregon businesses. Improvements funded under this subsection shall be:

(a) The development of coastal ports mariculture and a coculture facility in partnership with the Oregon Kelp Alliance;

(b) The installation of a shared-use certified commercial kitchen, processing center and cold storage; and

(c) The development of a mobile processing unit to be shared across multiple port districts that will support multiple seafood producers.

(3) \$300,000 to support existing businesses connected to the projects funded under subsections (1) and (2) of this section and those businesses identified in a technical assistance survey for rural seafood businesses that is currently being conducted and coproduced by the Oregon Coast Visitors Association, the Oregon State University Food Innovation Center and the Oregon State University Seafood Research and Education Center, each of which will administer

the technical assistance provided under this subsection.

SECTION 14. In addition to and not in lieu of any other appropriation, there is appropriated to the State Department of Agriculture, for the biennium beginning July 1, 2023, out of the General Fund, the amount of \$9,000,000, for the purpose of funding the grant program related to establishments that process and sell meat products, as described in section 1, chapter 537, Oregon Laws 2021.

SECTION 15. Section 3, chapter 537, Oregon Laws 2021, is amended to read:

Sec. 3. Section 1 [of this 2021 Act], chapter 537, Oregon Laws 2021, is repealed on June 30, [2023] 2025.

SECTION 16. Section 17 of this 2023 Act is added to and made a part of ORS 660.300 to 660.364.

SECTION 17. (1) There is established a program in the Higher Education Coordinating Commission to support strategic investments in workforce development programs and activities in Oregon's maritime sector, in coordination with:

(a) Local workforce development boards in regions with a high demand for maritime workers;

(b) Community colleges operated under ORS chapter 341; and

(c) Other workforce partners that support maritime workforce development, including but not limited to school districts and regional networks that support science, technology, engineering and mathematics.

(2) At a minimum, the program shall:

(a) Make targeted investments in workforce development programs designed to advance the growth, qualifications and availability of Oregon's maritime workforce.

(b) Identify and develop specific sectors within the maritime workforce to initiate new workforce education and job skills programs and to increase participation in existing maritime programs.

(c) Promote growth and development of maritime workforce development programs in school districts and community colleges by hiring faculty and staff with maritime expertise to assist with curriculum selection for educational programs and the development of such programs to prepare individuals for careers in the maritime sector.

(d) Foster industry involvement in apprenticeship programs, mentorship and other programs that provide training for entry into the maritime workforce.

(e) Support activities that prepare individuals for careers in the maritime sector, includ-

ing but not limited to educating, training and mentoring activities related to maritime construction and engineering and mariner training.

(f) Conduct outreach and promote awareness about opportunities to receive maritime training and education.

(3) The commission may adopt any rules necessary for the implementation and administration of this section.

SECTION 18. In addition to and not in lieu of any other appropriation, there is appropriated to the Higher Education Coordinating Commis-

sion, for the biennium beginning July 1, 2023, out of the General Fund, the amount of \$2,000,000, for carrying out the provisions of section 17 of this 2023 Act.

SECTION 19. This 2023 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect on its passage.

Approved by the Governor July 31, 2023
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