



SENATE MAJORITY OFFICE

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Oregon Investment Act receives final legislative vote *Senate approves significant economic development bill on 23-4 vote*

SALEM – Major legislation to improve the effectiveness of the state’s economic development strategy was approved in the Senate this morning. The Oregon Investment Act, HB 4040, now heads to the Governor for his signature.

“There are substantial economic resources available in the state of Oregon, but they are currently fragmented across different agencies,” said Senator Richard Devlin (D-Tualatin), chief sponsor of the bill in the Senate. “Reforming the way that these resources are managed will improve the way Oregon handles economic development, helping Oregon businesses prosper and create jobs.”

Currently, Oregon’s economic development resources are spread throughout multiple agencies and lack a coordinated strategic framework to prioritize investments where they are most needed. HB 4040 sets such a framework, outlining a streamlined, coordinated approach to the state’s economic development strategy.

“The Oregon Investment Act is a comprehensive strategy to support Oregon business and create quality jobs for Oregonians,” said Senate Majority Leader Diane Rosenbaum (D-Portland). “House Bill 4040 adjusts our economic development approach to allow us to increase capital for Oregon businesses, create more jobs, and foster greater public-private partnerships.”

Specifically, HB 4040 addresses coordination, flexibility, and leverage in Oregon’s economic development strategy. Under HB 4040:

- Economic development resources will be coordinated under an Oregon Growth Board, which will establish a unified strategic framework for all economic development resources. Businesses looking to grow jobs in Oregon will be able to find a full menu of assistance options in one place.
- The Oregon Growth Board will have broad authority over the Oregon Growth Fund, and be able to re-allocate resources where they will be most efficiently put to use. In this way, Oregon’s job-creation tools will be more nimble and more responsive to changing economic opportunities while still accountable to statutory goals and benchmarks.
- The Oregon Investment Act leverages in-state investments with out-of-state dollars and makes it incumbent for every portfolio to seek out private sector leverage – so that the State is not a lone investor and so that our resources and efforts are multiplied.

According to a recent study about access to capital in Oregon, the state's businesses face multiple gaps in their ability to access the financial resources they need to grow and expand. While there are a number of providers of early stage venture capital in Oregon, emerging and growing businesses face significant challenges in accessing seed capital and growth capital. Over the last decade, Oregon companies have received \$2.1 billion in private capital investment, but investment in Oregon has lagged Washington State on a per capita basis – particularly in the earliest seed capital investment stages.

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