

# A-Engrossed House Bill 4040

Ordered by the House February 15  
Including House Amendments dated February 15

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

## 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 change how applications for broadband grant programs are reviewed. The Act would make the Oregon State Fair and Expo Center eligible for a grant award to make up for COVID losses. The Act takes effect when the Governor signs it. (Flesch Readability Score: 77.4).**

*[Digest: The Act requires a study of the state economy. A report will be submitted by September 15 of next year. (Flesch Readability Score: 65.5).]*

*[Requires the Oregon Business Development Department to study economic development in Oregon. Directs the department to submit a report of the study to the interim committees of the Legislative Assembly related to economic development no later than September 15, 2025.]*

**Changes the process for reviewing applications for broadband grant programs.  
Makes the Oregon State Fair and Expo Center eligible for a grant award under section 9, chapter 546, Oregon Laws 2023.**

**Declares an emergency, effective on passage.**

## A BILL FOR AN ACT

1  
2 Relating to economic development; amending ORS 285A.154 and section 10, chapter 546, Oregon  
3 Laws 2023; and declaring an emergency.

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

5 **SECTION 1.** ORS 285A.154 is amended to read:

6 285A.154. (1) The Oregon Broadband Advisory Council is established within the Oregon Business  
7 Development Department. The council consists of 13 members appointed as follows:

8 (a) The Governor shall appoint 11 members who, to the extent possible, represent geographically  
9 diverse regions of this state, as follows:

10 (A) One member to represent the counties of this state.

11 (B) One member to represent the cities of this state.

12 (C) Two members to represent telecommunications service providers. At least one member must  
13 represent a service provider that provides telecommunications services in rural Oregon with pref-  
14 erence for appointment given to a service provider that is headquartered in rural Oregon.

15 (D) One member to represent Oregon tribes.

16 (E) One member to represent education or public libraries.

17 (F) One member to represent rural business or economic development districts.

18 (G) One member to represent urban business or economic development districts.

19 (H) One member to represent telehealth.

20 (I) One member to represent the digital equity interests of historically disadvantaged communi-  
21 ties.

**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 (J) One member to represent consumers and the public at large.

2 (b) The Speaker of the House of Representatives shall appoint one nonvoting member who is a  
3 member of the House of Representatives.

4 (c) The President of the Senate shall appoint one nonvoting member who is a member of the  
5 Senate.

6 (2) The term of office of each voting member is four years, but a voting member serves at the  
7 pleasure of the Governor. Before the term of a voting member expires, the Governor shall appoint  
8 a successor whose term begins on January 1 next following. A voting member is eligible for reap-  
9 pointment for one additional term. If there is a vacancy for any cause, the Governor shall make an  
10 appointment that becomes immediately effective for the unexpired term.

11 (3) The nonvoting legislative members shall serve two-year terms and are eligible for reap-  
12 pointment.

13 (4) Members of the council who are not members of the Legislative Assembly are not entitled  
14 to compensation, but voting members may be paid expenses if funding is available from contributions  
15 the Oregon Business Development Department accepts under ORS 285A.157 (2).

16 (5) Members of the council who are members of the Legislative Assembly are entitled to com-  
17 pensation and expense reimbursement as provided in ORS 171.072.

18 (6) The council shall select one of the council's voting members as chairperson and another  
19 voting member as vice chairperson, for a two-year term. The chairperson and vice chairperson may  
20 not serve for more than two consecutive terms.

21 (7) A majority of the voting members of the council constitutes a quorum for transacting busi-  
22 ness.

23 (8) The council shall meet every three months at a place, day and hour determined by the  
24 council. The council may also meet at other times and places specified by the call of the chairperson  
25 or of a majority of the members of the council.

26 (9) A majority of the voting members of the council must approve official action by the council.  
27 The council may recommend legislation, public policy and solutions to address the state's broadband  
28 needs and goals.

29 (10) The council shall:

30 (a) Advise the Oregon Broadband Office on the development and implementation of Oregon's  
31 broadband strategy.

32 (b) Advise the Oregon Broadband Office on the scalability, resilience and sustainability of  
33 Oregon's broadband infrastructure.

34 (c) Assist the Oregon Broadband Office in developing ideas to streamline deployment of  
35 broadband infrastructure and in ensuring continual progress toward achieving state goals.

36 (d) Review and update state goals regarding broadband service speeds in consideration of federal  
37 requirements and to ensure that Oregon residents and businesses are prepared for future needs.

38 (e) Advise the Oregon Broadband Office on best practices to guide the development and imple-  
39 mentation of state grant programs, including project review, opportunities for appeal and project  
40 accountability.

41 (f) Support local governments, providers and stakeholders in project planning and development.

42 (g) Champion equitable statewide access and adoption of broadband services.

43 **(h) For competitive broadband grant programs, review grant applications for compliance**  
44 **with the program's legal requirements and make recommendations to the Oregon Broadband**  
45 **Office at a council meeting held pursuant to subsection (8) of this section.**

1        [(11)(a) *The council shall establish a grant application review committee for each grant cycle.*]

2        [(b) *Subject to grant rules, a grant application review committee shall review grant applications*  
3 *and submit directly to the Oregon Broadband Office recommendations.*]

4        [(c) *An individual may not serve on a grant application review committee if the individual is em-*  
5 *ployed by or receives compensation from an entity that is under consideration for a grant through the*  
6 *Oregon Broadband Office.*]

7        [(12)] (11) All agencies of state government, as defined in ORS 174.111, shall assist the council  
8 in the performance of the council's duties and, to the extent permitted by laws relating to  
9 confidentiality, to furnish such information and advice as the members of the council consider nec-  
10 essary to perform the members' duties.

11        **SECTION 2.** Section 10, chapter 546, Oregon Laws 2023, is amended to read:

12        **Sec. 10.** (1) As used in this section:

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

14        (b) "County fair operator" means a county fair board, fair association or fair district that oper-  
15 ates a county fair.

16        (c)(A) "Earned revenue" means revenue from the sale of goods or services, including, but not  
17 limited to, admission tickets, charges for services, rentals, permits and fees, merchandise, food and  
18 beverages, advertising and contracted services and performances.

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

21        (d) "Fair association" has the meaning given that term in ORS 565.268.

22        (e) "Fair district" means an entity described in ORS 565.275.

23        (f) **"Fair operator" means a county fair operator or the Oregon State Fair and Expo**  
24 **Center.**

25        (g) **"Oregon State Fair" has the meaning given that term in ORS 565.451.**

26        (h) **"State fairgrounds" means fairground properties and facilities, as defined in ORS**  
27 **565.451.**

28        (2) The Oregon Business Development Department shall develop and implement a program for  
29 awarding grants directly to:

30        (a) County fair operators for the operation of county fairs and the maintenance and repair of  
31 county fairgrounds[.]; and

32        (b) **The Oregon State Fair and Expo Center for the operation of the Oregon State Fair**  
33 **and the maintenance and repair of state fairgrounds.**

34        (3) To be eligible for a grant, a [county] fair operator must demonstrate to the department's  
35 satisfaction that, at any time after February 29, 2020, and before June 30, 2023, the **fair** operator  
36 experienced a significant loss in earned revenue from the operation of a county fair or county  
37 fairgrounds, **or the operation of the Oregon State Fair or state fairgrounds**, because of state-  
38 wide mandates, or guidance of the Oregon Health Authority, in response to the COVID-19 pandemic.

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

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

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

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

45        (B) Financial documentation, including, but not limited to, audited financial statements or fi-

1 nancial statements that have been approved by a certified public accountant.

2 (5) Before awarding grants, the department may withhold an amount not to exceed five percent  
3 of the total amount allocated under section 9 [*of this 2023 Act*], **chapter 546, Oregon Laws 2023**,  
4 to reimburse the department for the actual costs of developing and implementing the program.

5 (6) The department shall award grants to reimburse [*county*] fair operators for lost earned re-  
6 venue supported by their applications as follows:

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

10 (b) If the total of all grant award amounts is less than \$3 million, less any amount withheld  
11 under subsection (5) of this section, the amounts shall be increased proportionally until they equal  
12 \$3 million, less any amount withheld under subsection (5) of this section.

13 **SECTION 3. This 2024 Act being necessary for the immediate preservation of the public**  
14 **peace, health and safety, an emergency is declared to exist, and this 2024 Act takes effect**  
15 **on its passage.**

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