

9-21

EDD 12-2001 (Temp)

Secretary of State
Certificate and Order for Filing
TEMPORARY ADMINISTRATIVE RULES
A Statement of Need and Justification accompanies this form.

I certify that the attached copies* are true, full and correct copies of the TEMPORARY Rule(s) adopted on September 20, 2007 by the

OECD, Innovation and Economic Strategies Division Date prior to or same as filing date
CH. 123
Agency and Division Administrative Rules Chapter Number

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Rules Coordinator Address Telephone

to become effective September 21, 2007 through ^{MARCH} April 18, 2008
Date upon filing or later A maximum of 180 days including the effective date.

RULE CAPTION

Conform Distressed Area rules to the provisions of SB 350 (2007 Legislature) and to revised methodology.
Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

RULEMAKING ACTION

List each rule number separately, 000-000-0000.

Secure approval of new rule numbers (Adopted rules) with the Administrative Rules Unit prior to filing

ADOPT: N/A

AMEND: OAR 123-024-0001, 123-024-0011, 123-024-0031

SUSPEND: OAR 123-024-0041

FILED
SEP 21 2007
ARCHIVES DIVISION
SECRETARY OF STATE

Stat. Auth.: ORS 285A.075

Other Auth.: SB 350 (2007 Legislature)

Stats. Implemented: ORS 285A.020, 285A.075, 285B.062, 285B.065

RULE SUMMARY

The temporary rule implements the provisions of SB 350 (2007 Legislature) that became effective July 1, 2007 and conforms existing rule to the legislation, as well as to the revised methodology to determine distressed areas.

Jeanne L. Arana

Authorized Signer

Jeanne Arana

Printed name

9/20/07

Date

*With this original and Statement of Need, file one photocopy of certificate, one paper copy of rules listed in Rulemaking Actions, and electronic copy of rules.
ARC 940-2005

Secretary of State

STATEMENT OF NEED AND JUSTIFICATION

A Certificate and Order for Filing Temporary Administrative Rules accompanies this form.

Agency and Division: OECD – Innovation & Economic Strategies Administrative Rules Chapter Number: CH. 123

In the Matter of: Rules regarding Distressed Areas (OAR 123-024).

Rule Caption: Conform the distressed areas rules to the provisions of SB 350 (2007 Legislature) and the revised methodology.

Statutory Authority: ORS 285A.075

Other Authority: SB 350 (2007 Legislature)

Stats. Implemented: ORS 285A.020, 285A.075, 285B.062 and 285B.065

Need for the Temporary Rule(s):

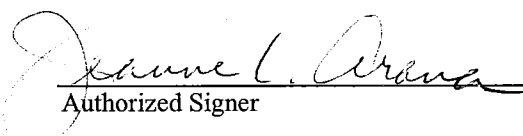
SB 350 was signed into law on July 17, 2007 and pursuant to the Emergency Clause in the bill became effective on July 1, 2007. The provisions of this legislation require the amendment of existing rules and adoption of a new rule pertaining to the issuance of determinations by the agency.

Documents Relied Upon, and where they are available:

SB 350, available from the Oregon Economic and Community Development Department. SB 350 is also available electronically at: <http://www.leg.state.or.us/07reg/measpdf/sb0300.dir/sb0350.en.pdf>

Justification of Temporary Rule(s):

Without adoption of these temporary rules, conflicts would exist between existing rules and the legislatively adopted provisions of SB 350, as well as the revised methodology to determine distressed areas.



Jeanne Arana

9/20/07

Authorized Signer

Printed name

Date

ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT

DIVISION 24 DISTRESSED AREAS

123-024-0001

Scope and Purpose

In accordance with ORS 285A.020, the department shall give priority when providing funding for a project, a program or activity, to counties, cities, communities or other geographic areas that are designated as distressed by the department. The designation of distressed areas must be based on indicators of economic distress, including but not limited to unemployment, poverty and job loss.

Stat. Auth.: ORS 285A.075

Stats. Implemented: ORS 285A.020, ORS 285A.075, ORS 285B.062 & ORS 285B.065

Hist.: EDD 12-1998, f. & cert. ef 8-14-98

123-024-0011

Definitions

As used in this division of administrative rules, unless the context requires otherwise:

- (1) "Department" means the State of Oregon Economic Development and Community Department as organized under ORS 285A.070.
- (2) "Director" means the Director of the State of Oregon Economic and Community Development Department as appointed under ORS 285A.070.
- (3) "City" means the area within the corporate limits or urban growth boundary, or both, of any incorporated city in Oregon.
- (4) "Distressed area" means a geographic area within the state of Oregon that meets the criteria set forth under OAR 123-024-0031. All geographic areas within a county designated by the department as a distressed area shall be considered to be distressed areas.

Stat. Auth.: ORS 285A.075

Stats. Implemented: ORS 285A.020, ORS 285A.075, ORS 285B.062 & ORS 285B.065

Hist.: EDD 12-1998, f. & cert. ef. 8-14-98; EDD 4-2003, f. & cert. ef. 3-26-03

123-024-0031

Methodology for Determining Distressed Areas

The department will consider a county, incorporated city, or other geographic area to be a distressed area if it is:

(1) A county whose average index of economic distress is less than 1.00, where the state's average index of economic distress equals 1.00, based on an average of several sub-index factors. The sub-index factors shall use data for the most recent year for which reliable data are available. The sub-index factors shall be:

- (a) The county's unemployment rate divided by this state's unemployment rate;
- (b) The county's per capita personal income divided by the state's per capita personal income;
- (c) The change in the county's average covered payroll per worker over a two year period ;
- (d) The sum of the change in the county's employment over a two year period ; or

(2) An incorporated city outside of the counties identified as distressed areas under subsection (1) of this section whose indicator values (see a) are below the threshold value in at least three of the four indicators.

(a) The four indicators shall be, where reliable data is available:

- (A) Percent of city population of 25 years old with a bachelor's degree or higher;
- (B) The city's unemployment rate;
- (C) The percent of the city's population below the poverty level; and
- (D) The city's per capita personal income.

(b) The threshold values for each of the four indicators in subsection (a) shall be determined by using reliable data from each of the distressed counties based on a demonstrated methodology, as approved by the director of the department; or

(3) A county, incorporated city, or other geographic area that has demonstrated in writing, to the satisfaction of the director of the department, that it is suffering or is likely

to suffer economic distress equal to or greater than those counties and cities qualifying as distressed areas under subsections (1) and (2) of this section. The director shall have the authority to declare counties, cities, and other geographic areas distressed as allowed under this subsection.

Stat. Auth.: ORS 285A.075

Stats. Implemented: ORS 285A.020, ORS 285A.075, 285B.062 & 285B.065

Hist.: EDD 12-1998, f. & cert. ef. 8-14-98; EDD 3-2005(Temp), f. & cert. ef. 4-21-05 thru 10-15-05; Administrative correction 10-19-05; EDD 7-2005(Temp), f. & cert. ef. 10-24-05 thru 12-21-05; EDD 10-2005(Temp), f. & cert. ef. 11-4-05 thru 12-21-05;

Administrative correction 1-19-06
