

HB 2053-1
(LC 422)
2/4/19 (ASD/ps)

Requested by HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT (at the request of Oregon
Business Development Department)

**PROPOSED AMENDMENTS TO
HOUSE BILL 2053**

1 On page 1 of the printed bill, line 3, after “285A.075,” insert “285B.059,
2 285B.410,”.

3 On page 5, delete lines 10 through 45.

4 On page 6, delete lines 1 through 3 and insert:

5 **“SECTION 5.** ORS 285B.600 is amended to read:

6 “285B.600. As used in ORS 285B.600 to 285B.620, **and in addition to the**
7 **definitions under ORS 285A.010 applicable to ORS chapter 285B:**

8 “(1) ‘Certified employer’ means an eligible employer certified under ORS
9 285B.605.

10 “[2] ‘*Compensation*’ has the meaning given that term in ORS 314.610.]

11 **“(2) ‘County or state average wage’ means the average wage:**

12 **“(a) For the county in which an employee works; and**

13 **“(b) For all employment, unless the Oregon Business Development**
14 **Department has adopted a rule limiting ‘county or state average**
15 **wage’ to mean the average wage for private sector employment only.**

16 “(3) ‘Eligible employee’ means a new full-time **equivalent** employee who:

17 **“(a) Is paid qualifying compensation [and];**

18 **“(b) Works in operations of an industry in the traded sector; and**

19 **“(c) Is hired by a certified employer after the employer is certified under**
20 **ORS 285B.605.**

21 “(4) ‘Eligible employer’ means an employer that, in the month in which

1 the employer submits an application under ORS 285B.608, **as determined**
2 **by the Oregon Business Development Department:**

3 “(a) Has at least 150 employees **in or outside this state**[;].

4 “(b) Plans to hire at least 50 eligible employees in this state[;]. **For**
5 **purposes of this paragraph, each eligible employee to be hired in a**
6 **county that is outside all metropolitan statistical areas, as defined**
7 **pursuant to the most recent federal decennial census, shall be counted**
8 **as two employees.**

9 “(c) [*Operates in*] **Conducts or plans to conduct operations that ben-**
10 **efit an industry in this state** [*in the traded sector, as that term is defined*
11 *in ORS 285A.010; and*].

12 “(d) Is not **and does not plan to be** a retailer[,] as [*that term is*] defined
13 in ORS 72.8010.

14 “(5) ‘Estimated incremental Oregon Business Retention and Expansion
15 Program tax revenues’ means the Oregon personal income tax revenues that
16 are estimated pursuant to ORS 285B.618 to be substantially equivalent to the
17 amount of tax that eligible employees of an eligible employer will be required
18 to pay under ORS chapter 316 as a result of qualifying compensation paid
19 to the eligible employees by the eligible employer in the two consecutive tax
20 years beginning with the tax year following the tax year in which the em-
21 ployer receives certification under ORS 285B.605.

22 “(6) ‘Qualifying compensation’ means **compensation that averages at**
23 **least:**

24 “(a) [*Compensation that averages at least*] 150 percent of [*the lesser of*] the
25 county or state average [*annual per employee compensation*] **wage for eligi-**
26 **ble employees hired in a county in a metropolitan statistical area as**
27 **defined pursuant to the most recent federal decennial census; or**

28 “(b) [*If the employees are to be hired in a county that is outside all metro-*
29 *politan statistical areas, as defined by the most recent federal decennial census,*
30 *compensation that averages at least 130 percent of the lesser*] **130 percent of**

1 the county or state average [*annual per employee compensation*] **wage for**
2 **eligible employees hired in a county that is outside all metropolitan**
3 **statistical areas as defined pursuant to the most recent federal**
4 **decennial census.”**

5 On page 15, delete lines 28 through 45.

6 On page 16, delete lines 1 through 35 and insert:

7 **“SECTION 15.** ORS 285B.626 is amended to read:

8 **“285B.626. As used in ORS 285B.625 to 285B.632, and in addition to the**
9 **definitions under ORS 285A.010 applicable to ORS chapter 285B:**

10 **“(1) ‘County or state wage’ means the average wage:**

11 **“(a) Where a regionally significant industrial site is located; and**

12 **“(b) For all employment, unless the Oregon Business Development**
13 **Department has adopted a rule limiting ‘county or state average**
14 **wage’ to mean the average wage for private sector employment only.**

15 *“[(1) ‘Eligible employer’ means an employer that:]*

16 *“[(a) Is conducting a traded sector business on a regionally significant in-*
17 *dustrial site; and]*

18 *“[(b)(A) With respect to a rural site, has hired at least 25 full-time em-*
19 *ployees whose wages average at least 150 percent of the county or state average*
20 *wage, whichever is less; or]*

21 *“[(B) With respect to an urban site, has hired At least 50 full-time em-*
22 *ployees whose wages average at least 150 percent of the county or state average*
23 *wage, whichever is less.]*

24 **“(2) ‘Eligible employer’ means an employer that is conducting**
25 **business in a traded sector industry on a regionally significant indus-**
26 **trial site at which, following the site’s designation under ORS 285B.627,**
27 **one or more eligible employers have cumulatively hired:**

28 **“(a) At least 50 full-time equivalent employees whose compensation**
29 **averages at least 150 percent of the county or state wage; or**

30 **“(b) If the site is located in a rural area, at least 25 full-time**

1 **equivalent employees whose compensation averages at least 130 per-**
2 **cent of the county or state wage.**

3 “[2] (3) ‘Estimated incremental income tax revenues’ means the Oregon
4 personal income tax revenues that are equivalent to the amount of tax that
5 employees of an eligible employer, [*who are*] hired by the eligible employer
6 on a designated regionally significant industrial site, have paid under ORS
7 chapter 316 in the tax years following the first tax year in which the eligible
8 employer begins conducting a traded sector business on [*the*] a designated
9 regionally significant industrial site.

10 “[3] (4) ‘Industrial use’ means employment activities, including but not
11 limited to manufacturing, assembly, fabrication, processing, storage, logis-
12 tics, warehousing, importation, distribution, transshipment and research and
13 development, that generate income from the production, handling or distrib-
14 ution of goods or services, including goods or services in the traded sector.

15 “[4] (5) ‘Project sponsor’ means:

16 “(a) A public owner of a regionally significant industrial site that is in-
17 vesting in preparation of the site for industrial use by a third party; or

18 “(b) A public entity that has entered into a development or other agree-
19 ment with the private owner of a regionally significant industrial site to
20 prepare the site for industrial use.

21 “[5] (6) ‘Regionally significant industrial site’ means a site planned and
22 zoned for industrial use that:

23 “(a)(A) Is suitable for the location of new industrial uses or the expansion
24 of existing industrial uses and that can provide significant additional em-
25 ployment in the region;

26 “(B) Has site characteristics that provide significant competitive advan-
27 tages that are difficult or impossible to replicate in the region; and

28 “(C) Has superior access to transportation and freight infrastructure, in-
29 cluding but not limited to rail, port, airport, multimodal freight or trans-
30 shipment facilities and other major transportation facilities or routes; or

1 “(b) Is located in an area designated by Metro, as defined in ORS 197.015,
2 as a regionally significant industrial area.

3 “[*(6) ‘Rural site’ means a regionally significant industrial site located in*
4 *an area outside of a metropolitan statistical area, as defined by the most recent*
5 *federal decennial census.*]

6 “[*(7) ‘Traded sector’ has the meaning given that term in ORS 285A.010.*]

7 “[*(8) ‘Urban site’ means a regionally significant industrial site located in*
8 *a metropolitan statistical area, as defined by the most recent federal decennial*
9 *census, that is located inside a regional or metropolitan urban growth bound-*
10 *ary.*]

11 “[*(9) ‘Wage’ has the meaning given that term pursuant to rules adopted by*
12 *the Oregon Business Development Department.*]”.

13 On page 20, delete lines 6 and 7 and insert:

14 **“SECTION 20.** ORS 285B.059 is amended to read:

15 “285B.059. (1) The Oregon Business Development Commission may approve
16 a business development project proposed in an application filed under ORS
17 285B.050 to 285B.098 if, after investigation, the commission finds that:

18 “(a) The proposed business development project is feasible and a reason-
19 able risk from practical and economic standpoints, and that the loan has
20 reasonable prospect of repayment.

21 “(b) The applicant can provide good and sufficient collateral for the loan.

22 “(c) Moneys in the Oregon Business Development Fund are or will be
23 available for the proposed business development project.

24 “(d) There is a need for the proposed business development project.

25 “(e) The applicant has not received or entered into a contract or contracts
26 exceeding \$1 million with the commission, under authority of ORS 285B.050
27 to 285B.098, for the previous 365 days.

28 “(2)(a) Except as provided in paragraph (b) of this subsection, the total
29 amount of moneys loaned from the fund for a business development project
30 may not exceed 50 percent of the cost of the project.

1 “(b) The total amount of moneys loaned from the fund for a business de-
2 velopment project may exceed 50 percent of the cost of the project if two or
3 more lenders have denied requests from the applicant to commit to partic-
4 ipate in the financing of the project and the applicant has no other available
5 financing.

6 “(3)(a) Except as provided in paragraph (b) of this subsection, moneys may
7 not be loaned from the fund for a business development project unless there
8 exists a commitment from a commercial or private lender, or a local devel-
9 opment group, to participate in the financing of the project.

10 “(b) Moneys may be loaned from the fund for a business development
11 project without a commitment from a commercial or private lender, or a lo-
12 cal development group, to participate in the financing of the project if:

13 “(A) The applicant is a county or municipality;

14 “(B) There are payments other than the scheduled principal and interest
15 payments; or

16 “(C) Two or more lenders have denied requests from the applicant to
17 commit to participate in the financing of the project and the applicant has
18 no other available financing.

19 “(4) To encourage private sector and local development group partic-
20 ipation in the financing of business development projects, the commission
21 may subordinate the security position of the fund to that of other lenders.

22 “(5) In each fiscal year of a biennium, 15 percent of all moneys available
23 for lending from the fund is reserved for loans to emerging small business
24 enterprises as defined by the Oregon Business Development Department by
25 rule, which are located in or draw their workforces from within rural or
26 distressed areas as determined by the Oregon Business Development Depart-
27 ment in cooperation with the Employment Department of this state. If the
28 Oregon Business Development Department was unable to obtain a sufficient
29 number of approvable applications to meet the requirements of this sub-
30 section in the previous fiscal year, it may, in the current fiscal year and

1 notwithstanding the limitations imposed by ORS 285B.050 (2), make loans, in
2 an amount that does not exceed the 15 percent reserved for the prior fiscal
3 year less the amount of loans made to emerging small business enterprises
4 located in rural or distressed areas during the previous fiscal year, to service
5 and retail businesses operated by small business enterprises that are located
6 in or draw their workforces from within rural or distressed areas as deter-
7 mined by the Oregon Business Development Department in cooperation with
8 the Employment Department of this state. Service and retail businesses op-
9 erated by small business enterprises under this section need not be engaged
10 in traded sector activities. [As used in this subsection, ‘rural area’ and ‘dis-
11 tressed area’ have the meaning given those terms in ORS 285A.010.]

12 **“SECTION 21.** ORS 285B.410 is amended to read:

13 “285B.410. As used in ORS 285B.410 to 285B.482, unless the context re-
14 quires otherwise:

15 “(1) ‘Airport’ means:

16 “(a) A runway, taxiway, aircraft parking apron, ramp, auto parking area,
17 access road, safety area or runway protection zone;

18 “(b) An airport-related facility, including a hangar, terminal, air traffic
19 control tower or other building;

20 “(c) A signal, navigational aid or traffic control system; or

21 “(d) A fuel tank or other physical airport improvement.

22 “(2)(a) ‘Community development project’ means a project that involves
23 strategic planning, training or other technical assistance as defined by the
24 Oregon Business Development Department by rule, and that is aimed at
25 strengthening the economic development, community development or
26 infrastructure priority setting of a municipality or region.

27 “(b) ‘Community development project’ includes the following activities:

28 “(A) Developing and managing short-term and long-term projects;

29 “(B) Developing priorities for infrastructure projects;

30 “(C) Strategic planning related to furthering economic or community de-

1 velopment; or

2 “(D) Training related to economic or community development, including
3 training to improve leadership skills, technical skills or analytical skills,
4 particularly in rural and distressed areas.

5 “(c) ‘Community development project’ includes projects that may encom-
6 pass a municipality or any part of a municipality and may be undertaken in
7 cooperation with another municipality.

8 “(3) ‘Development project’ means a project for the acquisition, improve-
9 ment, construction, demolition, or redevelopment of municipally owned util-
10 ities, buildings, land, transportation facilities or other facilities that assist
11 the economic and community development of the municipality, including
12 planning project activities that are necessary or useful as determined by the
13 Oregon Infrastructure Finance Authority.

14 “(4) ‘Direct project management costs’ means expenses directly related to
15 a project that are incurred by a municipality solely to support or manage a
16 project eligible for assistance under ORS 285B.410 to 285B.482. ‘Direct
17 project management costs’ does not include routine or ongoing expenses of
18 the municipality.

19 “(5) ‘Emergency project’ means a development project resulting from an
20 emergency as defined in ORS 401.025, to which federal disaster relief has
21 been committed.

22 “(6) ‘Energy system’ means a facility necessary for the distribution,
23 transmission or generation of energy, including but not limited to facilities
24 powered by wind, solar energy or biofuel and facilities for the collection,
25 storage, transmission or distribution of a fuel, including natural gas,
26 methane or hydrogen.

27 “(7) ‘Levee project’ means a community development project, development
28 project, planning project or other project that is associated with levee in-
29 spection, accreditation, certification or repair.

30 “(8) ‘Marine facility’ means:

1 “(a) A wharf, dock, freight handling or passenger facility;

2 “(b) A navigation channel or structure, including a project funded under

3 ORS 777.267; or

4 “(c) Any other physical marine facility improvement.

5 “(9) ‘Municipality’ means an Oregon city or county, the Port of Portland

6 created by ORS 778.010, a county service district organized under ORS

7 chapter 451, a district as defined in ORS 198.010, a drainage district organ-

8 ized under ORS chapter 547, a tribal council of a federally recognized Indian

9 tribe in this state or an airport district organized under ORS chapter 838.

10 “(10) ‘Planning project’ means:

11 “(a) A project related to a potential development project for preliminary,

12 final or construction engineering;

13 “(b) A survey, site investigation or environmental action;

14 “(c) A financial, technical or other feasibility report, study or plan; or

15 “(d) An activity that the authority determines to be necessary or useful

16 in planning for a potential development project.

17 “(11) ‘Project’ means a development, community development, planning,

18 levee or emergency project.

19 “(12) ‘Railroad’ means:

20 “(a) A main line, siding, yard, connecting or auxiliary track, right of way

21 or easement;

22 “(b) An industrial spur or related facility, including a depot, shop, main-

23 tenance building or other building;

24 “(c) A signal or traffic control system;

25 “(d) A bridge or tunnel;

26 “(e) A dock, pit, conveyor, bin, crane, piping system, tank or pavement for

27 unloading, loading or transfer of freight, trailers or containers; or

28 “(f) Any other physical railroad improvement.

29 “(13) ‘Road’ means a street, highway or thruway or a road-related struc-

30 ture that provides for continuity of a right of way, including a bridge, tun-

1 nel, culvert or similar structure or other physical road-related improvement.

2 “[~~(14)~~ *Rural area*] has the meaning given that term in ORS 285A.010.]

3 “[~~(15)~~ **(14)** ‘Solid waste disposal site’ has the meaning given the term
4 ‘disposal site’ in ORS 459.005.

5 “[~~(16)~~ **(15)** ‘Telecommunications system’ means equipment or a facility for
6 the electronic transmission of voice, data, text, image or video.

7 “[~~(17)~~ **(16)** ‘Transportation’ means a system for movement of freight or
8 passengers.

9 “[~~(18)~~ **(17)** ‘Utilities’ means a solid waste disposal site or a water, sewage,
10 storm water drainage, energy or telecommunications system.

11 **“SECTION 22. ORS 285B.600 to ORS 285B.620 are added to and made
12 a part of ORS chapter 285B.**

13 **“SECTION 23. ORS 285B.625 to ORS 285B.632 are added to and made
14 a part of ORS chapter 285B.**

15 **“SECTION 24. This 2019 Act takes effect on the 91st day after the
16 date on which the 2019 regular session of the Eightieth Legislative
17 Assembly adjourns sine die.”.**

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