

SENATE AMENDMENTS TO SENATE BILL 518

By COMMITTEE ON FINANCE AND REVENUE

June 4

1 On page 1 of the printed bill, line 2, after the second semicolon delete the rest of the line and
2 line 3 and insert “and amending ORS 176.110, 285A.050, 285A.206, 291.202, 291.210, 291.218, 291.220
3 and 291.222.”.

4 Delete lines 5 through 28 and delete pages 2 through 8 and insert:

5 “**SECTION 1.** ORS 291.202 is amended to read:

6 “291.202. (1) Except as otherwise provided in ORS 291.222, the Governor shall prepare in each
7 even-numbered year for the biennium beginning July 1 of the following year:

8 “(a) A budget report; *[and]*

9 “(b) A tax expenditure report[.]; **and**

10 “(c) **An economic and community development incentive report.**

11 “(2) The Oregon Department of Administrative Services shall advise and assist the Governor in
12 the preparation of the budget report *[and]*, tax expenditure report **and economic and community**
13 **development incentive report** and shall perform such duties in connection therewith as the Gov-
14 ernor requires.

15 “(3) The Department of Revenue shall advise and assist the Governor in the preparation of the
16 tax expenditure report **and, if requested by the Governor, shall advise and assist the Governor**
17 **in the preparation of the economic and community development incentive report.**

18 “(4) **The Economic and Community Development Department shall:**

19 “(a) **Advise and assist the Governor in the preparation of the economic and community**
20 **development incentive report;**

21 “(b) **Compile performance data, as defined in section 3 of this 2007 Act, for inclusion in**
22 **the economic and community development incentive report; and**

23 “(c) **Release performance data to the Governor upon request of the Governor, unless the**
24 **information requested is protected by a nondisclosure agreement under ORS 192.502 (4).**

25 “**SECTION 2.** Section 3 of this 2007 Act is added to and made a part of ORS chapter 291.

26 “**SECTION 3.** (1) **Not later than November 10 of each even-numbered year, the Governor**
27 **shall cause the economic and community development incentive report to be compiled and**
28 **prepared for printing.**

29 “(2) **In the economic and community development incentive report the Governor shall:**

30 “(a) **List economic and community development incentive programs and funds, including:**

31 “(A) **Enterprise zones under ORS 285C.050 to 285C.250;**

32 “(B) **Enterprise zone property tax exemptions extended under ORS 285C.160;**

33 “(C) **Long term rural enterprise zone tax incentives under ORS 285C.400 to 285C.420;**

34 “(D) **Electronic commerce enterprise zones under ORS 285C.095;**

35 “(E) **Income and corporate excise tax exemptions under ORS 316.778 or 317.391;**

1 **“(F) Strategic investment program under ORS 285C.600 to 285C.626;**
2 **“(G) Strategic Reserve Fund under ORS 285B.266;**
3 **“(H) Special Public Works Fund under ORS 285B.455;**
4 **“(I) Oregon Port Revolving Fund under ORS 285A.708;**
5 **“(J) Oregon Business Development Fund under ORS 285B.092;**
6 **“(K) Industrial development revenue bonds issued under ORS 285B.320;**
7 **“(L) Rural Investment Fund under ORS 285B.254;**
8 **“(M) Regional Investment Fund under ORS 285B.260;**
9 **“(N) Construction-in-process enterprise zone exemptions under ORS 285C.170;**
10 **“(O) Rural renewable energy development zone tax exemptions under ORS 285C.362;**
11 **“(P) Film production development contributions under ORS 315.514;**
12 **“(Q) Street or road improvements to influence the location, relocation or retention of a**
13 **business or facility in this state that meet the criteria of ORS 366.507 (4)(e); and**
14 **“(R) Any other economic and community development incentive programs or funds that**
15 **the Governor determines are significant;**
16 **“(b) Identify the statutory authority for each listed program or fund;**
17 **“(c) Describe the purpose of each listed program or fund;**
18 **“(d) Summarize all loans and grants awarded in the current biennium by each listed**
19 **program or fund;**
20 **“(e) Estimate the amount of state funds that are budgeted for each program or fund in**
21 **the current biennium or, if the program is a tax exemption or other tax incentive, the re-**
22 **venue impact of each program for the current biennium;**
23 **“(f) List the actual amount of state funds that are budgeted for each program or fund**
24 **or, if the program is a tax exemption or other tax incentive, the revenue impact of each**
25 **program in the preceding biennium, or an estimate if the actual amount cannot be deter-**
26 **mined;**
27 **“(g) List performance data for each program or fund;**
28 **“(h) Determine whether each program or fund is the most fiscally effective means of**
29 **achieving the purpose of the program or fund; and**
30 **“(i) Determine whether each program or fund has successfully achieved the purpose for**
31 **which the program or fund was enacted and currently serves.**
32 **“(3) As used in this section:**
33 **“(a) ‘Loan and grant awarded in the current biennium’ means a first-time loan or grant**
34 **made pursuant to an economic and community development incentive program or fund dur-**
35 **ing the current biennium.**
36 **“(b) ‘Performance data’ means the following information for each project or facility par-**
37 **ticipating in or receiving support through an incentive program or fund, unless otherwise**
38 **exempt from disclosure under ORS 192.501 or 192.502:**
39 **“(A) Industry type of the participant, using the North American Industry Classification**
40 **System adopted by the United States Office of Management and Budget, as amended and in**
41 **effect on January 1, 2008.**
42 **“(B) Employment information for the participating facility or project site as follows:**
43 **“(i) The total number of employees.**
44 **“(ii) The number of full-time employees. A full-time employee is an employee who works**
45 **at least 35 hours per week for an indefinite period of time for the participant at the facility**

1 or project site.

2 “(iii) The number of part-time employees. A part-time employee is an employee who
3 works fewer than 35 hours per week for the participant at the facility or project site.

4 “(iv) The number of employees employed in jobs created by the participant as a result
5 of participation in or support from the economic and community development incentive
6 program or fund.

7 “(v) The number of employees employed in retained jobs. A retained job is a job that,
8 prior to participation in the economic and community development incentive program or
9 prior to receiving support through the economic and community development incentive fund,
10 is jeopardized by a specific and articulable threat, but that is preserved due to participation
11 in or support received from the economic and community development incentive program
12 or fund.

13 “(vi) The number of employees employed in temporary positions. A temporary position
14 is a position in which an employee is hired by the participant for a specific period of time
15 or for a season.

16 “(vii) The estimated number of jobs created by the participant that the participant an-
17 ticipates may be filled by Oregon workers.

18 “(viii) The estimated number of construction jobs created by the participant.

19 “(C) The estimated average annual wage and the estimated average hourly wage for the
20 positions listed in subparagraph (B) of this paragraph compared to the median income in the
21 area.

22 “(D) Whether the participant provides health care benefits to employees, the type of
23 health care benefits provided and the number of employees with health care benefits provided
24 by the participant.

25 “(E) The amount of leveraged private investment in the project or facility.

26 “(F) The estimated personal income tax revenue of jobs created by the participant.

27 “(G) The estimated increase in area property tax base due to the project or facility, if
28 known.

29 “(H) Whether the project or facility attracted other businesses or industries to the area
30 and, if available, the number of jobs created in the area by the other businesses or indus-
31 tries.

32 “(I) Any other information necessary to show the performance of the program or fund.

33 “**SECTION 4.** ORS 291.210 is amended to read:

34 “291.210. (1) The Oregon Department of Administrative Services, in connection with its direct
35 studies of the operations, plans and needs of state agencies and of the existing and prospective
36 sources of income, shall prepare a tentative budget plan [*and*], tentative tax expenditure report **and**
37 **tentative economic and community development incentive report** for the two fiscal years for
38 which a budget report [*and*], a tax expenditure report **and an economic and community devel-**
39 **opment incentive report** are required to be prepared.

40 “(2) The Department of Revenue shall advise and assist **the Oregon Department of Adminis-**
41 **trative Services** in the preparation of the tentative tax expenditure report **and, if requested by**
42 **the Oregon Department of Administrative Services or the Economic and Community Devel-**
43 **opment Department, shall advise and assist in the preparation of the tentative economic and**
44 **community development incentive report.**

45 “(3) **The Economic and Community Development Department shall:**

1 “(a) Advise and assist the Oregon Department of Administrative Services in the prepara-
2 tion of the tentative economic and community development incentive report;

3 “(b) Compile performance data, as defined in section 3 of this 2007 Act, for inclusion in
4 the economic and community development incentive report; and

5 “(c) Release performance data to the Oregon Department of Administrative Services
6 upon request of the Oregon Department of Administrative Services, unless the information
7 requested is protected by a nondisclosure agreement under ORS 192.502 (4).

8 “**SECTION 5.** ORS 291.218 is amended to read:

9 “291.218. Except when the Governor under whose supervision the budget report [*and*], the tax
10 expenditure report **and the economic and community development incentive report** have been
11 prepared will be succeeded in office in January next following:

12 “(1) The Oregon Department of Administrative Services shall have as many copies of the ap-
13 proved budget report [*and*], the tax expenditure report **and the economic and community devel-**
14 **opment incentive report** printed as the Governor directs.

15 “(2) Not later than December 1 of each even-numbered year, the Governor shall transmit a copy
16 of each report to each member of the legislature who is to serve during the next session.

17 “(3) Upon request, the Governor shall distribute copies free of charge, under such regulations
18 as the Governor may establish, to public libraries, schools and state officials. The Governor shall
19 make copies available to the general public at a reasonable charge for each copy.

20 “**SECTION 6.** ORS 291.220 is amended to read:

21 “291.220. The Governor, upon request, shall furnish the Legislative Assembly any further infor-
22 mation required concerning the budget report [*and*], the tax expenditure report **and the economic**
23 **and community development incentive report.** The Oregon Department of Administrative Ser-
24 vices, upon request, shall furnish a representative to assist the Legislative Assembly, its Joint
25 Committee on Ways and Means, appointed under ORS 171.555, and the Legislative Revenue Officer
26 in the consideration of the budget report, the tax expenditure report, **the economic and commu-**
27 **nity development incentive report** and any accompanying measures.

28 “**SECTION 7.** ORS 291.222 is amended to read:

29 “291.222. If the Governor under whose supervision the budget report [*and*], tax expenditure re-
30 port **and economic and community development incentive report** have been prepared will be
31 succeeded in office in January next following:

32 “(1) The Oregon Department of Administrative Services shall make available to the Governor-
33 elect so much as the Governor-elect requests of the information upon which the tentative budget
34 report [*and*], tentative tax expenditure report **and tentative economic and community develop-**
35 **ment incentive report** are based, and upon completion of each report shall supply the Governor-
36 elect with a copy of each report but shall not cause the tentative budget report [*or*], tentative tax
37 expenditure report **or tentative economic and community development incentive report** to be
38 printed and distributed. The department shall also make available to the Governor-elect all facilities
39 of the department reasonably necessary to permit the Governor-elect to review and become familiar
40 with the tentative budget report [*or*], tentative tax expenditure report **or tentative economic and**
41 **community development incentive report.**

42 “(2) After a review of the tentative budget report [*or*], tentative tax expenditure report **or**
43 **tentative economic and community development incentive report** the Governor-elect may pre-
44 pare revisions and additions thereto. The Oregon Department of Administrative Services and the
45 Department of Revenue shall assist, upon request, in the preparation of such revisions or additions.

1 “(3) The Oregon Department of Administrative Services shall have printed as many copies of the
2 revised budget report [*and*], revised tax expenditure report **and revised economic and community**
3 **development incentive report** as the Governor-elect requests.

4 “(4)(a) Not later than the convening of the next Legislative Assembly, the Oregon Department
5 of Administrative Services shall transmit **to each member of the Legislative Assembly** a copy
6 of:

7 “(A) A summary of the revised budget report containing the revenue and expenditure recom-
8 mendations of the Governor-elect [*and*];

9 “(B) A summary of the revised tax expenditure report estimating the amount of revenue loss
10 caused by each tax expenditure; **and**

11 “(C) **A summary of the revised economic and community development incentive report**
12 **estimating the amount of economic assistance provided by the state through economic de-**
13 **velopment programs and the impact of the assistance on the state economy.**

14 “(b) Not later than February 1, the Oregon Department of Administrative Services shall transmit
15 a copy of the revised budget report [*and*], revised tax expenditure report **and revised economic**
16 **and community development incentive report** to each member of the Legislative Assembly.

17 “(5) Upon request, the department shall distribute copies of the revised budget report [*and*], re-
18 vised tax expenditure report **and revised economic and community development incentive re-**
19 **port** free of charge, under such regulations as it may establish, to public libraries, schools and state
20 officials. [*It*] **The department** shall make copies of the revised budget report [*and*], revised tax ex-
21 penditure report **and revised economic and community development incentive report** available
22 to the general public at a reasonable charge for each copy.

23 “**SECTION 8.** ORS 176.110 is amended to read:

24 “176.110. (1) The person elected to the office of Governor may take any action prior to the date
25 the official term of office commences that is necessary to enable the Governor to exercise on such
26 date the powers and duties of the office of Governor.

27 “(2) The Governor-elect shall cause the budget report [*and*], the tax expenditure report **and the**
28 **economic and community development incentive report** for the biennium beginning July 1 of the
29 year in which the Governor takes office to be compiled and prepared for printing as required in ORS
30 291.222.

31 “(3) All necessary expenses of the Governor-elect incurred in carrying out the provisions of this
32 section shall be audited by the Secretary of State and paid from any funds appropriated for this
33 purpose in the same manner as other claims against the state are paid.

34 “**SECTION 9.** ORS 285A.050 is amended to read:

35 “285A.050. (1) The Oregon Economic and Community Development Commission shall report an-
36 nually to the Governor and the Legislative Assembly on the success of economic development ef-
37 forts. The report, at a minimum, shall include the following:

38 “(a) For the overall Economic and Community Development Department effort and for each
39 identifiable program and significant project or service:

40 “(A) The impact of that program on the competitiveness of traded sector industries and the skill
41 levels of the Oregon workforce;

42 “(B) The impact on the number of jobs, including jobs created and retained;

43 “(C) The impact on the wage levels of Oregon workers, including increases in wage levels;

44 “(D) The actual or anticipated impact of public investments at all levels, in terms of measurable
45 outcomes wherever possible; and

1 “(E) The impact of that program on the Internet-based entities and employees in Oregon.
2 “(b) The status of the Oregon economy related to:
3 “(A) Changes in employment and wage levels in Oregon industries;
4 “(B) Changes in employment, wage levels and competitiveness of traded sector industries; and
5 “(C) Barriers that have been identified as impeding business competitiveness and productivity
6 in this state.
7 “(c) Progress made toward achievement of the Oregon Benchmarks.
8 “(d) Recommendations for removing identified barriers and additional suggestions for improving
9 the performance of Oregon’s economy.
10 “(e) Recommendations on this state’s investment in its public ports, on this state’s response to
11 policy issues that affect ports and for the strategic development of port facilities that promote
12 maritime commerce, recreational opportunities and the economy of Oregon.
13 “(f) Progress made toward elimination of economically distressed areas of this state.
14 “(g) Recommendations regarding improving the international competitiveness of Oregon.
15 “(h) Progress made in serving microenterprise businesses and recommendations for increasing
16 the success of microenterprises.
17 “(2) **The commission shall report biennially to the Governor and the Legislative Assembly**
18 **on the success of economic development efforts undertaken by programs and receiving sup-**
19 **port through funds listed in section 3 of this 2007 Act. The report may include performance**
20 **data, as defined in section 3 of this 2007 Act, for each program or fund administered by the**
21 **Economic and Community Development Department or for which participation in the pro-**
22 **gram or support through the fund is subject to the approval, certification or recommen-**
23 **dation of the commission or the department.**
24 “[2] (3) Whenever a power is granted to the commission, the power may be exercised by such
25 officers, employees or commission-appointed committees as are designated in writing by the com-
26 mission.
27 “[3] (4) Reports to the Legislative Assembly required under this section shall be made in ac-
28 cordance with ORS 192.245.
29 “**SECTION 10.** ORS 285A.206 is amended to read:
30 “285A.206. (1) In each calendar year, the Economic and Community Development Department
31 shall prepare, in accordance with generally accepted governmental accounting principles, a financial
32 statement relating to each of the following funds:
33 “(a) The Special Public Works Fund created by ORS 285B.455;
34 “(b) The Title I Bank Fund established by ORS 285A.306;
35 “(c) The Oregon Business Development Fund created by ORS 285B.092;
36 “(d) The Oregon Port Revolving Fund created by ORS 285A.708; and
37 “(e) Any other fund or account that is used by the department or Oregon Economic and Com-
38 munity Development Commission to make loans or loan guarantees or to provide other financial
39 assistance to private business firms organized for profit.
40 “(2) The financial statements required by this section shall record and summarize all the finan-
41 cial transactions during the reporting period that involved moneys credited to a fund or account and
42 shall describe the financial condition of the fund or an account at the end of the reporting period.
43 The reporting period for financial statements required by this section shall be the fiscal year com-
44 mencing on July 1 and ending on June 30.
45 “(3) The financial statements required by this section shall be in a form prescribed by the Sec-

1 retary of State.

2 “(4) Each financial statement required by this section shall describe the financial transactions
3 and condition of a single fund and shall be submitted to the Governor, the President of the Senate
4 and the Speaker of the House of Representatives not later than December 31 in each year.

5 **“(5)(a) In addition to the financial statements required by subsection (1) of this section,
6 the department shall compile performance data, as required by section 3 of this 2007 Act, for
7 each project or facility participating in programs or receiving support through funds listed
8 in section 3 of this 2007 Act:**

9 **“(A) That are administered by the department; or**

10 **“(B) For which participation in the program or support through the fund is subject to
11 the approval, certification or recommendation of the department or the Oregon Economic
12 and Community Development Commission.**

13 **“(b) The department shall prescribe by rule methods for compiling performance data re-
14 quired by section 3 of this 2007 Act.**

15 **“SECTION 11. Section 3 of this 2007 Act and the amendments to ORS 176.110, 285A.050,
16 285A.206, 291.202, 291.210, 291.218, 291.220 and 291.222 by sections 1 and 4 to 10 of this 2007
17 Act apply to biennia beginning on or after July 1, 2007.”.**

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