

House Bill 3698

Sponsored by COMMITTEE ON REVENUE

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 **as introduced**.

Establishes Building Opportunities for Oregon Small Business Today Fund (BOOST Fund). Authorizes Oregon Business Development Department to make loans or award grants to small business employers from BOOST Fund.

Directs Department of Revenue to expand amnesty for and enforcement of tax compliance by employers. Allocates moneys from Tax Amnesty Fund to BOOST Fund. Transfers increased amounts of revenue created by expanded amnesty program and enforcement efforts to BOOST Fund.

Sunsets June 30, 2013.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to employers; appropriating money; and prescribing an effective date.

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

4 **SECTION 1. Sections 2 and 3 of this 2010 Act are added to and made a part of ORS**
5 **285B.280 to 285B.286.**

6 **SECTION 2. (1) As used in this section and section 3 of this 2010 Act:**

7 (a) **"Applicant" means any small business employer applying for a loan or grant of mon-**
8 **eys from the BOOST Fund under this section.**

9 (b) **"BOOST Fund" means the Building Opportunities for Oregon Small Business Today**
10 **Fund established under section 3 of this 2010 Act.**

11 (c) **"Collateral" has the meaning given that term in ORS 79.0102 for property subject to**
12 **a security interest.**

13 (d) **"Comparable wages" means wages that are reasonably equivalent to wages paid to**
14 **other employees of a small business employer regardless of position.**

15 (e) **"Full-time" means a minimum of 35 hours per week or 25 hours per week with health**
16 **benefit plan coverage.**

17 (f) **"Health benefit plan" has the meaning given that term in ORS 743.730.**

18 (g) **"Small business employer" means a business having 100 or fewer employees in a**
19 **traded sector industry.**

20 (h) **"Wages" means all compensation for performance of personal services by an em-**
21 **ployee for a small business employer, including salaries, commissions, benefits, the cash**
22 **value of all compensation paid in any medium other than cash and any other form of**
23 **remuneration paid to employees for personal services.**

24 (2) **Any small business employer may file with the Oregon Business Development De-**
25 **partment an application to borrow money, or an application for a grant of financial assist-**
26 **ance, from the BOOST Fund for industry development purposes as defined by rule of the**
27 **department. The application shall be filed in the manner and be accompanied by such infor-**
28 **mation as the department may prescribe by rule.**

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 (3) The department may approve an application for a loan or grant under this section if,
 2 after investigation, the department finds that:

3 (a) The applicant demonstrates a reasonable capacity to increase employment opportu-
 4 nities in this state.

5 (b) The applicant has established goals of creating new full-time jobs in Oregon with a
 6 reasonable prospect of achieving such goals.

7 (c) The applicant has a demonstrated history of providing comparable wages to its em-
 8 ployees.

9 (d) In the case of a loan, the applicant can provide good and sufficient collateral for the
 10 loan.

11 (e) Moneys are or will be available in the BOOST Fund.

12 (4) Following the department's approval of an application under subsection (3) of this
 13 section, the department may:

14 (a) Enter into a loan contract with the applicant of not more than \$150,000, secured by
 15 good and sufficient collateral, with a plan for repayment not to exceed two years. The con-
 16 tract entered into under this paragraph shall contain a repayment plan that includes the
 17 amount of interest to be charged and information about appropriate legal remedies the de-
 18 partment may pursue to secure repayment upon the applicant's default or failure to comply
 19 with the contract, including withholding of any amounts otherwise due. The department shall
 20 develop rules governing repayment of loans under this paragraph and the collection of mon-
 21 eys owed to the BOOST Fund. The department may take any action permitted by statute or
 22 rule that the department deems necessary to secure the repayment of the loan.

23 (b) Make grants not to exceed \$2,500 per new full-time job established by the applicant
 24 after the date of approval of its application. A grant may not be made under this paragraph
 25 unless the new full-time job is held by the employee for a minimum period of six consecutive
 26 months. The total sum of moneys paid under this paragraph may not exceed \$50,000 per ap-
 27 plicant in any calendar year. Grants made under this paragraph shall be paid in the quarter
 28 following receipt by the department of a report from the applicant that provides information
 29 about new full-time jobs established by the applicant and upon verification of employment in
 30 a manner to be established by the department by rule.

31 **SECTION 3.** The Building Opportunities for Oregon Small Business Today Fund, or
 32 BOOST Fund, is established in the State Treasury, separate and distinct from the General
 33 Fund. The BOOST Fund shall consist of all moneys credited to the fund, including moneys
 34 allocated from the Administrative Services Economic Development Fund and all interest
 35 earned on the BOOST Fund. Moneys in the BOOST Fund are continuously appropriated to
 36 the Oregon Business Development Department to be used for loans and grants to implement
 37 section 2 of this 2010 Act.

38 **SECTION 4.** (1) The Department of Revenue is directed to expand its amnesty program
 39 and enforcement efforts to improve collection of revenues due the department from em-
 40 ployers.

41 (2) Not later than January 2, 2011, the department shall report on its progress in imple-
 42 menting subsection (1) of this section to the interim legislative committees on revenue. The
 43 report shall include the net results of the expansion of the amnesty program and enforce-
 44 ment efforts required by subsection (1) of this section.

45 **SECTION 5.** (1) For tax years beginning on or after January 1, 2009, the Department of

1 Revenue shall estimate the increase in revenue, if any, attributable to the expanded amnesty
2 program and enforcement efforts under section 4 of this 2010 Act, compared to revenue re-
3 ceived for tax years beginning on or after January 1, 2008, and before January 1, 2009. Before
4 June 30 of each year, an amount equal to the estimated increase in revenue, if any, shall be
5 deposited into the General Fund and transferred to the Building Opportunities for Oregon
6 Small Business Today Fund established under section 3 of this 2010 Act.

7 (2) The department may adopt rules necessary to administer this section.

8 SECTION 6. There is allocated to the Oregon Business Development Department, for the
9 biennium beginning July 1, 2009, out of the Tax Amnesty Fund established under section 7,
10 chapter 710, Oregon Laws 2009, the amount of \$_____ for the purpose of carrying out the
11 provisions of sections 2 and 3 of this 2010 Act.

12 SECTION 7. Sections 2 to 6 of this 2010 Act are repealed on June 30, 2013.

13 SECTION 8. This 2010 Act takes effect on the 91st day after the date on which the special
14 session of the Seventy-fifth Legislative Assembly adjourns sine die.