

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

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| Action: | Do Pass as Amended, Be Printed Engrossed, and Be Referred to the Committee on Ways and Means by prior reference |
| Vote: | 4 - 2 - 0 |
| Yeas: | Atkinson, Edwards, Starr, Beyer |
| Nays: | Burdick, Girod |
| Exc.: | 0 |
| Prepared By: | Richard Berger, Administrator |
| Meeting Dates: | 3/15, 4/19 |

WHAT THE MEASURE DOES: Establishes the Oregon Business Retention and Expansion Program to lend funds from the Oregon Business Retention and Expansion Program Fund to certified employers. Establishes Oregon Business Retention and Expansion Program Fund to be funded from taxes withheld from new employees of certified employers. Authorizes the Oregon Business Development Department to certify eligible employers for participation in the Oregon Business Retention and Expansion Program. Appropriates moneys from the State Lottery fund to the Oregon Business Development Department for purposes of administering the Oregon Business Retention and Expansion Program. Applies to tax years beginning on or after January 1, 2012. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Current lack of incentives for larger companies
- Concern that the program would only help in limited areas of the state
- Whether the program helps small businesses
- The program's ability to quickly show a return on the investment

EFFECT OF COMMITTEE AMENDMENT: Removes application fee. Appropriates moneys from the State Lottery Fund as opposed to the General Fund. Allows eligible employer to be primarily engaged in professional service.

BACKGROUND: As proposed in Senate Bill 219 A, in order to be eligible for the Oregon Business Retention and Expansion Program employers must meet the following criteria: have at least 150 employees; average 150 percent of the state average in annual per-employee compensation or if doing business in a distressed area or a rural area; average at least 150 percent of the county average in annual per-employee compensation; plan to hire at least 50 new full-time employees in this state; operate in an industry in the traded sector; and not be a retailer.