

Enrolled
Senate Bill 219

Sponsored by Senator DEVLIN, Representative READ; Senators EDWARDS, HASS, MONNES
ANDERSON (Presession filed.)

CHAPTER

AN ACT

Relating to incentives for business hiring; appropriating money; and declaring an emergency.

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

SECTION 1. As used in sections 1 to 9 of this 2011 Act:

(1) "Certified employer" means an eligible employer certified under section 3 of this 2011 Act.

(2) "Compensation" has the meaning given that term in ORS 314.610.

(3) "Eligible employee" means a new full-time employee whose compensation averages at least 150 percent of the county or state average in annual per employee compensation, whichever is less, who is hired by a certified employer after the employer is certified under section 3 of this 2011 Act.

(4) "Eligible employer" means an employer that, in the month in which the employer submits an application under section 4 of this 2011 Act:

(a) Has at least 150 employees;

(b) Plans to hire at least 50 new full-time employees in this state whose compensation will average at least 150 percent of the county or state average in annual per employee compensation, whichever is less;

(c) Operates in an industry in the traded sector, as that term is defined in ORS 285A.010; and

(d) Is not a retailer, as that term is defined in ORS 72.8010.

(5) "Estimated incremental Oregon Business Retention and Expansion Program tax revenues" means the Oregon personal income tax revenues that are estimated pursuant to section 7 of this 2011 Act to be substantially equivalent to the amount of tax that eligible employees of an eligible employer will be required to pay under ORS chapter 316 as a result of compensation paid to the eligible employees by the eligible employer in the two consecutive tax years beginning with the tax year following the tax year in which the employer receives certification under section 3 of this 2011 Act.

SECTION 2. The Oregon Business Development Department may adopt rules that the department determines are necessary to:

(1) Further define the terms defined in section 1 of this 2011 Act in a manner consistent with section 1 of this 2011 Act;

(2) Implement the duties of the department under sections 1 to 9 of this 2011 Act; and

(3) Carry out the purposes of sections 1 to 9 of this 2011 Act.

SECTION 3. (1) Subject to standards and procedures that the Oregon Business Development Department shall establish by rule, the department shall certify eligible employers to participate in the Oregon Business Retention and Expansion Program established in section 6 of this 2011 Act. The department may establish certification standards regarding:

(a) Employers maintaining certain levels of payroll or per-employee compensation including benefits;

(b) Employers consulting with vendors in this state before entering into contracts;

(c) Eligible employers not laying off current employees in order to achieve hiring goals;

(d) Specifying the types and amounts of employer expenses that are the reasonable costs of financing, developing, furnishing and operating a facility to be used by the certified employer in the course of business under section 6 of this 2011 Act; and

(e) Verifying that an employer is an eligible employer.

(2) The department must approve or deny an application submitted under section 4 of this 2011 Act within 120 days after the date a complete application is filed.

SECTION 4. (1) An employer may apply to the Oregon Business Development Department for certification under section 3 of this 2011 Act.

(2) The application shall be made in writing in a form prescribed by the department.

(3) The application must include a verified statement by the employer that the employer would not plan on hiring 50 or more new full-time employees in this state but for the availability of the loans provided by the Oregon Business Retention and Expansion Program established under section 6 of this 2011 Act.

SECTION 5. (1) The Oregon Business Development Department may revoke a certificate issued under section 3 of this 2011 Act if the department finds that:

(a) The certificate was obtained by fraud or misrepresentation; or

(b) The certified employer fails to meet the requirements of section 3 of this 2011 Act.

(2) If the certificate is revoked pursuant to subsection (1) of this section, the department shall proceed to recoup any loan moneys disbursed to the employer pursuant to section 6 of this 2011 Act.

SECTION 6. (1) In consultation with the Department of Revenue, the Oregon Business Development Department shall establish and administer the Oregon Business Retention and Expansion Program. The purpose of the program is to provide forgivable loans to certified employers to allow for expanded operations and increased hiring.

(2) The Oregon Business Development Department shall enter into agreements with certified employers. Agreements must contain:

(a) Detailed performance measures, established by the department by rule, with which certified employers must comply; and

(b) The requirement that the certified employer pay to the Oregon Business Development Department the amount of any loan made under this section where the certified employer did not meet established performance measures.

(3) The total loan amount distributed to a certified employer under this section may not exceed the total amount of the estimated incremental Oregon Business Retention and Expansion Program tax revenues for the certified employer.

(4) Moneys loaned under this section must be distributed to the certified employer no later than 120 days following certification under section 3 of this 2011 Act.

SECTION 7. The Director of the Oregon Business Development Department, in consultation with the Director of the Department of Revenue, shall:

(1) Specify the methodology for estimating incremental Oregon Business Retention and Expansion Program tax revenues; and

(2) Estimate incremental Oregon Business Retention and Expansion Program tax revenues.

SECTION 8. The Oregon Business Retention and Expansion Program Fund is established in the State Treasury, separate and distinct from the General Fund. The Oregon Business

Retention and Expansion Program Fund consists of amounts deposited in the fund as required by section 9 of this 2011 Act and other moneys transferred to the fund. Amounts in the fund are continuously appropriated to the Oregon Business Development Department for the purposes of making the loans provided by the agreements entered into under section 6 of this 2011 Act and paying the costs and expenses of the Oregon Business Development Department in connection with the implementation and administration of sections 1 to 9 of this 2011 Act.

SECTION 9. (1) For the biennium beginning July 1, 2011, the Oregon Business Development Department may transfer up to \$4 million from moneys credited to the Strategic Reserve Fund created under ORS 285B.266 to the Oregon Business Retention and Expansion Program Fund to be used for the purpose of making the loans provided by the agreements entered into under section 6 of this 2011 Act and in accordance with the provisions of sections 1 to 9 of this 2011 Act.

(2) Unless approved by the Joint Committee on Ways and Means or, if the Legislative Assembly is not in session, the Emergency Board, administrative expenses of the Oregon Business Development Department incurred in connection with the implementation and administration of sections 1 to 9 of this 2011 Act may not be paid from funds transferred pursuant to this section. Expenses that are project-related are not considered to be administrative expenses of the department.

SECTION 10. The Oregon Business Development Department shall report to the committees of the Legislative Assembly with authority over the subject area of economic development during the 2013 regular session of the Legislative Assembly as specified in ORS 171.010.

SECTION 11. Sections 1 to 9 of this 2011 Act apply to tax years beginning on or after January 1, 2012, and before January 1, 2022.

SECTION 12. This 2011 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect on its passage.

Passed by Senate June 14, 2011

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Robert Taylor, Secretary of Senate

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Peter Courtney, President of Senate

Passed by House June 20, 2011

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Bruce Hanna, Speaker of House

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Arnie Roblan, Speaker of House

Received by Governor:

.....M.,....., 2011

Approved:

.....M.,....., 2011

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John Kitzhaber, Governor

Filed in Office of Secretary of State:

.....M.,....., 2011

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Kate Brown, Secretary of State