

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: HB 2225**Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session  
Legislative Fiscal Office***Only Impacts on Original or Engrossed  
Versions are Considered Official***

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Prepared by: Krista McDowell  
Reviewed by: Steve Bender  
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**Measure Description:**

Removes sunset from Oregon Business Retention and Expansion Program.

**Government Unit(s) Affected:**

Business Development Department (Business Oregon)

**Summary of Expenditure Impact:**

See Analysis

**Local Government Mandate:**

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**Analysis:**

This fiscal impact statement of the bill is indeterminate. HB 2225 repeals the sunset of the Oregon Business Retention and Expansion Program, and authorizes the Oregon Business Development Department (OBDD) to utilize funds credited to the Strategic Reserve Fund for this program.

The Oregon Business Retention and Expansion Program, established in the 2011 session, authorizes OBDD to provide forgivable loans to eligible businesses. To qualify, a business must operate in a traded sector industry, must have at least 150 employees, must intend to hire at least 50 or more new full-time employees in the state with mean compensation of at least 150% of the state or county average compensation level, and must verify that they would not hire these new employees if the forgivable loan was not available. The loan amount that OBDD can provide is any amount up to the estimated amount of Oregon personal income taxes that the business's newly-hired employees will pay over a two-year period.

The Oregon Business Retention and Expansion Program is scheduled to sunset in 2022. HB 2225 repeals that sunset. The bill also authorizes OBDD to transfer any monies approved for the Strategic Reserve Fund to the Program. The amount of monies that OBDD would transfer to the Oregon Business Retention and Expansion Program is unknown. During the 2011-13 biennium, OBDD transferred \$3.6 million of Lottery Funds to the Oregon Business Retention and Expansion Program. The amount of funds that would be available for new Strategic Reserve Fund awards in OBDD's 2013-15 biennium current service level budget includes \$15.3 million of Lottery Funds.