

Joint Committee on Ways and Means

Carrier – House: Rep. Read
Carrier – Senate: Sen. Johnson

Revenue: No revenue impact

Fiscal: Fiscal statement issued

Action: Do Pass

Vote: 19 – 5– 2

House

Yeas: Buckley, Frederick, Huffman, Jenson, Komp, McLane, Nathanson, Smith, Tomei, Williamson

Nays: Freeman, Hanna, Richardson

Exc: Barker, Read

Senate

Yeas: Bates, Devlin, Edwards, Hansell, Johnson, Monroe, Steiner Hayward, Whitsett, Winters

Nays: Girod, Thomsen

Exc:

Prepared By: Krista McDowell, Legislative Fiscal Office

Meeting Date: June 6, 2013

WHAT THE MEASURE DOES: Removes sunset from Oregon Business Retention and Expansion Program. Allows Oregon Business Development Department to transfer moneys from Strategic Reserve Fund to the Oregon Business Retention and Expansion Program Fund for purpose of making loans.

ISSUES DISCUSSED:

- Incentives for business to relocate and or grow in the State of Oregon
- Opportunities to develop jobs in rural Oregon
- Creation of new jobs means additional tax revenues for public programs
- Under what circumstances loans issued from the program must be paid back

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Oregon Business Retention and Expansion Program, established with enactment of Senate Bill 219 (2011 Legislative Session), authorizes the Oregon Business Development Department (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. This bill 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.

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 may not be paid from funds transferred from Oregon Business Retention and Expansion Program Fund.