

Minority Report
A-Engrossed
House Bill 2059

Ordered by the Senate June 10
Including Senate Minority Report Amendments dated June 10

Sponsored by nonconcurring members of the Senate Committee on General Government, Consumer and Small Business Protection: Senators BAERTSCHIGER, JR., GEORGE

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.

[Requires consignee to refrain from certain practices and to hold moneys consignee receives from sale of personal property in trust account if consignee does not pay moneys immediately to person that offered, gave or entrusted personal property to consignee. Exempts certain types of transactions from application of Act.]

Removes as requirement for qualifying investment that taxpayer must expend \$150 million within five-year period and substitutes requirement that taxpayer must expend minimum dollar amount within specified time period that Governor and Department of Revenue negotiate with taxpayer. Removes as requirement for qualifying investment that taxpayer must employ 500 more employees within this state than taxpayer previously employed and substitutes requirement that taxpayer employ minimum number of employees more than taxpayer previously employed. Removes limitation on date by which qualifying investment contract may be entered into.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to sales; creating new provisions; amending sections 3 and 7, chapter 1, Oregon Laws 2012
3 (special session); and declaring an emergency.

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

5 **SECTION 1.** Section 3, chapter 1, Oregon Laws 2012 (special session), is amended to read:

6 **Sec. 3.** As used in sections 3 to 6, **chapter 1, Oregon Laws 2012 (special session):** *[of this 2012*
7 *special session Act:]*

8 (1) "Actual cost" means the costs of labor, materials, supplies, equipment rental, real or personal
9 property acquisition, permits, engineering, financing, required fees, insurance, administration, ac-
10 counting, maintenance, repair or replacement and debt service, and all other direct or indirect costs
11 incurred by a person in order to undertake a capital project, or of more than one capital project
12 undertaken by the same taxpayer as part of the same qualifying investment.

13 (2) "Capital project" means a project within this state for the construction, modification, re-
14 placement, repair, remodeling or renovation of a structure or structures, addition to a structure or
15 structures, or other capital improvement, that qualifies as a qualifying investment, including but not
16 limited to:

17 (a) Acquisition of a legal interest or right in land or property in conjunction with the capital
18 improvement, including but not limited to the purchase, lease or occupancy of real property, in-
19 cluding the buildings, structures, infrastructure and leasehold improvements on the land or property;

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 (b) Acquisition of existing structures, or legal interests or rights in structures, in conjunction
2 with the capital improvement;

3 (c) Acquisition and installation of machinery or equipment, furnishings, fixtures or other per-
4 sonal property or materials, in conjunction with the capital improvement; or

5 (d) Services and activities performed in relation to the capital improvement, including planning,
6 design, authorizing, issuing, carrying or repaying interim or permanent financing, research, study
7 of land use and environmental impacts, acquiring permits or licenses, or other services connected
8 with the capital improvement, and costs associated with the performance of these services and ac-
9 tivities.

10 (3) "Debt service" includes debt service payments or payments into reserve accounts for debt
11 service and payment of amounts necessary to meet debt service coverage requirements.

12 (4) "Qualifying investment" means expenditures made by the taxpayer relating to a capital
13 project:

14 (a) The actual cost of which exceeds [*\$150 million within a five-year*] **a minimum dollar amount**
15 **spent within a stated time** period measured from the commencement of the term of the qualifying
16 investment contract[; *and*]. **The Governor and the Director of the Department of Revenue shall**
17 **negotiate the minimum dollar amount and stated time period with the taxpayer.**

18 (b) That result in the taxpayer employing [*at least 500 more full-time equivalent employees in this*
19 *state than the taxpayer employed in this state when the qualifying investment was commenced*] **a**
20 **minimum number of full-time equivalent employees in this state that is greater than the**
21 **number of full-time equivalent employees employed by the taxpayer in this state when the**
22 **qualifying investment is commenced. The Governor and the Director of the Department of**
23 **Revenue shall negotiate the minimum number of full-time equivalent employees with the**
24 **taxpayer.**

25 (5) "Qualifying investment contract" means a contract between the State of Oregon and a tax-
26 payer that meets the requirements of section 5, **chapter 1, Oregon Laws 2012 (special session)**
27 [*of this 2012 special session Act*].

28 (6) "Single sales factor method" means the method of business income apportionment required
29 under ORS 314.650 and 314.665 and the rules adopted thereunder, as in effect on the date a quali-
30 fying investment contract is executed.

31 (7) "Term of the qualifying investment contract" means the duration of the parties' obligations
32 under a qualifying investment contract.

33 **SECTION 2.** Section 7, chapter 1, Oregon Laws 2012 (special session), is amended to read:

34 **Sec. 7.** A qualifying investment contract as defined in section 3, **chapter 1, Oregon Laws 2012**
35 **(special session)**, [*of this 2012 special session Act*] may not be entered into[:]

36 [*(1)*] before December 14, 2012.

37 [*(2)* *On or after January 1, 2014.*]

38 **SECTION 3.** **The amendments to sections 3 and 7, chapter 1, Oregon Laws 2012 (special**
39 **session), by sections 1 and 2 of this 2013 Act become operative on the 91st day after the date**
40 **on which the 2013 regular session of the Seventy-seventh Legislative Assembly adjourns sine**
41 **die.**

42 **SECTION 4.** **This 2013 Act being necessary for the immediate preservation of the public**
43 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**
44 **on its passage.**