

## SENATE MINORITY REPORT AMENDMENTS TO HOUSE BILL 2059

June 10

President Courtney:

A minority of your Committee on General Government, Consumer and Small Business Protection, to whom was referred House Bill 2059, having had the same under consideration, respectfully reports it back with the recommendation that it do pass with the following amendments:

1       On page 1 of the printed bill, line 2, after “provisions;” delete the rest of the line and insert  
2 “amending sections 3 and 7, chapter 1, Oregon Laws 2012 (special session); and declaring an emer-  
3 gency.”.

4       Delete lines 4 through 30 and delete pages 2 through 6 and insert:

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*  
7 *2012 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;

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

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

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

29       “(3) ‘Debt service’ includes debt service payments or payments into reserve accounts for debt  
30 service and payment of amounts necessary to meet debt service coverage requirements.

31       “(4) ‘Qualifying investment’ means expenditures made by the taxpayer relating to a capital  
32 project:

1 “(a) The actual cost of which exceeds [*\$150 million within a five-year*] a **minimum dollar**  
2 **amount spent within a stated time** period measured from the commencement of the term of the  
3 qualifying investment contract[; *and*]. **The Governor and the Director of the Department of**  
4 **Revenue shall negotiate the minimum dollar amount and stated time period with the tax-**  
5 **payer.**

6 “(b) That result in the taxpayer employing [*at least 500 more full-time equivalent employees in this*  
7 *state than the taxpayer employed in this state when the qualifying investment was commenced*] a  
8 **minimum number of full-time equivalent employees in this state that is greater than the**  
9 **number of full-time equivalent employees employed by the taxpayer in this state when the**  
10 **qualifying investment is commenced. The Governor and the Director of the Department of**  
11 **Revenue shall negotiate the minimum number of full-time equivalent employees with the**  
12 **taxpayer.**

13 “(5) ‘Qualifying investment contract’ means a contract between the State of Oregon and a tax-  
14 payer that meets the requirements of section 5, **chapter 1, Oregon Laws 2012 (special session)**  
15 [*of this 2012 special session Act*].

16 “(6) ‘Single sales factor method’ means the method of business income apportionment required  
17 under ORS 314.650 and 314.665 and the rules adopted thereunder, as in effect on the date a quali-  
18 fying investment contract is executed.

19 “(7) ‘Term of the qualifying investment contract’ means the duration of the parties’ obligations  
20 under a qualifying investment contract.

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

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

24 “[*1*] before December 14, 2012.

25 “[*2*] *On or after January 1, 2014.*”

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

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

33 /s/ Herman Baertschiger Jr.  
34 Senator

35 /s/ Larry George  
36 Senator  
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