

## SENATE AMENDMENTS TO SENATE BILL 246

By COMMITTEE ON BUSINESS AND TRANSPORTATION

April 22

- 1 On page 1 of the printed bill, line 11, delete “state and”.
- 2 In line 16, delete “state and”.
- 3 In line 25, delete “state and”.
- 4 On page 2, line 6, delete “state and”.
- 5 Delete lines 10 through 45.
- 6 On page 3, delete lines 1 through 20 and insert:
- 7 “(4) ‘Industrial use’ means employment activities, including but not limited to manufacturing,
- 8 assembly, fabrication, processing, storage, logistics, warehousing, importation, distribution, trans-
- 9 shipment and research and development, that generate income from the production, handling or
- 10 distribution of goods or services, including goods or services in the traded sector.
- 11 “(5) ‘Project sponsor’ means:
- 12 “(a) A public owner of a regionally significant industrial site that is investing in preparation of
- 13 the site for industrial use by a third party; or
- 14 “(b) A public entity that has entered into a development or other agreement with the private
- 15 owner of a regionally significant industrial site to prepare the site for industrial use.
- 16 “(6) ‘Regionally significant industrial site’ means an area planned and zoned for industrial use
- 17 that:
- 18 “(a)(A) Contains a site or sites, including brownfields, that are suitable for the location of new
- 19 industrial uses or the expansion of existing industrial uses and that can provide significant addi-
- 20 tional employment in the region;
- 21 “(B) Has site characteristics that give the area significant competitive advantages that are dif-
- 22 ficult or impossible to replicate in the region; and
- 23 “(C) Has superior access to transportation and freight infrastructure, including but not limited
- 24 to rail, port, airport, multimodal freight or transshipment facilities and other major transportation
- 25 facilities or routes; or
- 26 “(b) Is land designated by Metro, as defined in ORS 197.015, as a regionally significant industrial
- 27 area.
- 28 “(7) ‘Traded sector’ has the meaning given that term in ORS 285A.010.
- 29 **“SECTION 3. (1) In consultation with the Department of Revenue, the Oregon Business**
- 30 **Development Department shall establish and administer the Oregon Industrial Site Readiness**
- 31 **Program. The purpose of the program is to:**
- 32 **“(a) Enter into tax reimbursement arrangements with qualified project sponsors pursu-**
- 33 **ant to subsection (5) of this section; or**
- 34 **“(b) Provide loans, including forgivable loans, to qualified project sponsors pursuant to**
- 35 **subsection (5) of this section.**

1       “(2)(a) Subject to standards and procedures that the Oregon Business Development De-  
2       partment shall establish by rule, the department shall certify regionally significant industrial  
3       sites for inclusion in the program.

4       “(b) A regionally significant industrial site certified under this section must be an in-  
5       dustrial site that is planned and zoned for industrial use.

6       “(3) A project sponsor may apply to participate in the program by submitting an appli-  
7       cation and development plan in writing in a form prescribed by the department by rule.

8       “(4) The department shall establish by rule criteria and standards for the qualification  
9       of project sponsors to participate in the program.

10       “(5) Upon qualification of a project sponsor under this section, the department may:

11       “(a) Enter into a tax reimbursement arrangement with the project sponsor pursuant to  
12       which the project sponsor shall receive 50 percent of the estimated incremental income tax  
13       revenues generated by an eligible employer per tax year until the total investment of the  
14       qualified project sponsor in the eligible site preparation costs established under subsection  
15       (7) of this section has been recovered. The tax reimbursement arrangement shall end upon  
16       recovery of all eligible site preparation costs, including interest.

17       “(b) Enter into a loan agreement with the project sponsor under terms and conditions  
18       specified and required by the department. The agreement may specify that a portion of the  
19       loan may be forgiven if the project sponsor enters into a contract with an eligible employer  
20       to conduct a business in the traded sector industry on a regionally significant industrial site  
21       within seven years after the project sponsor was qualified under this section.

22       “(6) The total amount of the loan forgiveness that may be allowed under subsection (5)  
23       of this section is the lesser of:

24       “(a) 50 percent of the total cost of eligible site preparation costs; or

25       “(b) 50 percent of the amount of the estimated incremental income tax revenues for the  
26       eligible employer.

27       “(7) The department shall establish, by rule, eligible site preparation costs including, but  
28       not limited to, some or all of the following:

29       “(a) Acquisition and assembly costs associated with creating large development parcels.

30       “(b) Transportation improvements such as access roads, intersections, turning lanes,  
31       signals, sidewalks, curbs, transit stops and storm drains.

32       “(c) Water and sewer infrastructure.

33       “(d) Natural resource mitigation.

34       “(e) Site grading activities.

35       “(f) Environmental remediation and mitigation activities to address brownfields issues in  
36       accordance with state and federally approved remediation plans.

37       “(g) Planning, engineering and administrative costs associated with applying for neces-  
38       sary local, state and federal permits.

39       “(h) Interest-carrying costs incurred by a project sponsor for borrowing undertaken to  
40       develop a regionally significant industrial site, not to exceed 20 percent of the total amount  
41       forgiven, if any, under subsection (5) of this section.

42       “**SECTION 4.** The Director of the Oregon Business Development Department, in consul-  
43       tation with the Director of the Department of Revenue, shall:

44       “(1) Determine the amount of estimated incremental income tax revenues attributable  
45       to each certified regionally significant industrial site.

1       **“(2) Rely on reasonable techniques of estimation in making the determination under**  
2 **subsection (1) of this section.**

3       **“(3) Transfer 50 percent of the amount determined under subsection (1) of this section**  
4 **to the Oregon Industrial Site Readiness Program Fund established in section 5 of this 2013**  
5 **Act.**

6       **“(4) Disburse moneys to eligible project sponsors from the Oregon Industrial Site Read-**  
7 **iness Program Fund as provided in the tax reimbursement arrangements or loan agreements**  
8 **entered into under section 3 of this 2013 Act.**

9       **“(5) Adopt rules to administer and implement the provisions of this section.”.**

10       In line 25, delete “making the loans” and insert “entering into tax reimbursement arrangements  
11 and making loans”.

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