

# Senate Bill 314

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## 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 **as introduced**.

Directs Oregon Department of Administrative Services to certify to Department of Revenue, Legislative Revenue Officer and Legislative Fiscal Officer annual amount of personal income tax revenue attributable to each project for which business firm received property tax exemption under strategic investment program.

Directs Department of Revenue to transfer 50 percent of cumulative amount of personal income tax revenue attributable to each project to Shared Services Fund.

Directs Department of Revenue to make transfer out of unreceipted personal income tax revenues before revenues are deposited in General Fund.

Sets timelines for completion of calculations and transfers to Shared Services Fund.

Directs Department of Revenue to make first transfer to Shared Services Fund during 2013-2014 fiscal year.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to the strategic investment program; creating new provisions; amending ORS 285C.615,  
3 285C.635, 285C.639 and 316.502; and declaring an emergency.

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

5 **SECTION 1. ORS 285C.635 and 285C.639 are added to and made a part of ORS 285C.600 to**  
6 **285C.626.**

7 **SECTION 2.** ORS 285C.635 is amended to read:

8 285C.635. (1) Upon receipt of information compiled under ORS 285C.615, the Oregon Department  
9 of Administrative Services shall determine the annual amount of personal income tax revenue at-  
10 tributable to each eligible project for which an eligible business firm received a property tax ex-  
11 emption under ORS 307.123.

12 (2) In determining the amount of personal income tax revenue attributable to each eligible  
13 project, the **Oregon Department of Administrative Services** may rely on reasonable techniques  
14 of estimation, if appropriate.

15 (3) **Not later than May 15 of each fiscal year, the Oregon Department of Administrative**  
16 **Services shall certify the amounts determined under subsection (1) of this section to the**  
17 **Department of Revenue, the Legislative Revenue Officer and the Legislative Fiscal Officer.**

18 [(3)] (4) [*In each fiscal year,*] **Not later than June 15 of each fiscal year, after receiving the**  
19 **certification under subsection (3) of this section, the Department of Revenue shall transfer an**  
20 **amount equal to 50 percent of the cumulative amount for all eligible projects determined under**  
21 **subsection (1) of this section to the Shared Services Fund established in ORS 285C.639.**

22 (5) **The Department of Revenue shall retain unreceipted revenue from the tax imposed**  
23 **under ORS chapter 316 in an amount necessary to make the transfer required under sub-**  
24 **section (4) of this section. The department shall make the transfer out of the unreceipted**

**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 **revenue in lieu of paying the revenue over to the State Treasurer for deposit in the General**  
2 **Fund.**

3 [(4)] (6) The **Oregon Department of Administrative Services** shall adopt rules necessary to  
4 administer this section.

5 **SECTION 3.** ORS 285C.639 is amended to read:

6 285C.639. (1) The Shared Services Fund is established in the State Treasury, separate and dis-  
7 tinct from the General Fund. Interest earned by the Shared Services Fund shall be credited to the  
8 Shared Services Fund.

9 (2) All moneys in the Shared Services Fund are continuously appropriated to the Oregon De-  
10 partment of Administrative Services, for the purpose of making distributions described in subsection  
11 (3) of this section.

12 (3) **Not later than June 30 of each fiscal year**, the department shall [*annually*] distribute to  
13 **counties for distribution to** taxing districts the moneys from the Shared Services Fund:

14 (a) In proportion to the amount of money transferred into the fund for each eligible project that  
15 received a property tax exemption under ORS 307.123; and

16 (b) Consistent with the distribution of the community services fee under ORS 285C.609 for that  
17 project.

18 (4) The department shall furnish the Oregon Business Development Commission with information  
19 on the recipients of the distributions and the amounts distributed under this section, as requested  
20 by the commission.

21 **SECTION 4.** ORS 285C.615 is amended to read:

22 285C.615. (1) On or before April 1 following each tax year that property is exempt under ORS  
23 307.123, the business firm that owns or leases the exempt property shall submit a report to the  
24 Oregon Business Development Department, in addition to any other reporting or filing requirement.

25 (2) The report shall be in a form prescribed by the **Oregon Business Development** Department  
26 and shall include:

27 (a) The assessed value and location of taxable and exempt property constituting the eligible  
28 project and the corresponding payment and savings of property taxes for the tax year, as ascer-  
29 tained from the county assessor;

30 (b) The amount and disposition of fees and other amounts paid by the business firm pursuant to  
31 the agreement with the county under ORS 285C.609 in the immediately preceding calendar year;

32 (c) The average number of persons hired or employed by the business firm in association with  
33 the eligible project, determined by dividing the total number of hours for which such hired or em-  
34 ployed persons were paid during the immediate prior calendar year by 2,080;

35 (d) The annual amount of taxable income and total compensation paid to employees as described  
36 in paragraph (c) of this subsection;

37 (e) Numbers and amounts as described in paragraphs (c) and (d) of this subsection for jobs re-  
38 tained in direct relation to the eligible project; and

39 (f) Any other information required by the department.

40 (3) If a business firm fails to provide a report required under this section or to verify informa-  
41 tion as requested by the **Oregon Business Development** Department, the Oregon Business Devel-  
42 opment Commission, upon recommendation by the department, may suspend the determination of the  
43 commission that the project receive the tax exemption provided for in ORS 307.123. If the commis-  
44 sion suspends the determination of eligibility under this subsection, the exemption is revoked as  
45 provided in ORS 307.123 (6), until the department receives the report. Upon receipt of a report re-

1 quired under this section or the information requested by the department, the department shall no-  
2 tify the commission and the commission shall rescind the suspension.

3 (4) Information collected under this section may be used by the **Oregon Business Development**  
4 Department to make aggregate figures and analyses of activity under the strategic investment pro-  
5 gram publicly available.

6 (5) Specific data concerning the financial performance of individual firms collected under this  
7 section is exempt from public disclosure under ORS chapter 192.

8 (6) [*Within 60 days of*] **After** receiving the reports required under this section, the **Oregon**  
9 **Business Development** Department shall compile and organize the reported information for pur-  
10 poses of ORS 285C.635 and transmit it to the Oregon Department of Administrative Services. **The**  
11 **Oregon Business Development Department shall transmit the information not later than**  
12 **April 15.**

13 (7) The **Oregon Business Development** Department shall adopt rules the department considers  
14 necessary to administer ORS 285C.600 to 285C.626.

15 **SECTION 5.** ORS 316.502 is amended to read:

16 316.502. (1) The net revenue from the tax imposed by this chapter, after deducting refunds **and**  
17 **amounts described in ORS 285C.635**, shall be paid over to the State Treasurer and held in the  
18 General Fund as miscellaneous receipts available generally to meet any expense or obligation of the  
19 State of Oregon lawfully incurred.

20 (2) A working balance of unreceipted revenue from the tax imposed by this chapter may be re-  
21 tained for the payment of refunds, but such working balance shall not at the close of any fiscal year  
22 exceed the sum of \$1 million.

23 (3) Moneys are continuously appropriated to the Department of Revenue to make:

24 (a) The refunds authorized under subsection (2) of this section; and

25 (b) The refund payments in excess of tax liability authorized under ORS 315.262 and 315.266 and  
26 section 17, chapter 906, Oregon Laws 2007.

27 **SECTION 6.** **The Department of Revenue shall make its first transfer of amounts to the**  
28 **Shared Services Fund under ORS 285C.615, 285C.635, 285C.639 and 316.502, as amended by**  
29 **sections 2 to 5 of this 2013 Act, during the 2013-2014 fiscal year. The department may not**  
30 **make a transfer under ORS 285C.615, 285C.635, 285C.639 and 316.502, as amended by sections**  
31 **2 to 5 of this 2013 Act, prior to July 1, 2013.**

32 **SECTION 7.** **This 2013 Act being necessary for the immediate preservation of the public**  
33 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**  
34 **on its passage.**

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