

## HOUSE AMENDMENTS TO HOUSE BILL 2070

By COMMITTEE ON REVENUE

April 16

1 On page 1 of the printed bill, line 2, after the second semicolon delete the rest of the line and  
2 delete lines 3 and 4 and insert “amending ORS 285C.600, 285C.615, 285C.635 and 327.008 and section  
3 6, chapter 905, Oregon Laws 2007; repealing ORS 285C.639; and declaring an emergency.”.

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

5 “**SECTION 1.** ORS 285C.600 is amended to read:

6 “285C.600. As used in ORS 285C.600 to 285C.639:

7 “(1) ‘Business firm’ has the meaning given that term in ORS 285C.050.

8 “(2) ‘Eligible project’ means a project that meets criteria established by the Oregon Business  
9 Development Commission to be exempt from property taxation under ORS 307.123.

10 “(3) ‘First-source hiring agreement’ has the meaning given that term in ORS 285C.050.

11 “(4) ‘**Newly created jobs**’ means, for an eligible project, positions that opened since the  
12 strategic investment program application for the project was made and that still existed in  
13 the preceding calendar year.

14 “[~~(4)~~ (5) ‘Publicly funded job training provider’ has the meaning given that term in ORS  
15 285C.050.

16 “[~~(5)~~ (6) ‘Rural area’ means an area located entirely outside of the urban growth boundary of  
17 a city with a population of 30,000 or more, as the urban growth boundary is acknowledged on De-  
18 cember 1, 2002.

19 “[~~(6)~~ (7) ‘Strategic investment zone’ means a geographic area established under ORS 285C.623,  
20 within which the property of eligible projects may be exempt from property taxation under ORS  
21 307.123.

22 “**SECTION 2.** ORS 285C.615 is amended to read:

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

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

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

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

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

1 “(d) The annual amount of taxable income and total compensation paid to employees as de-  
2 scribed in paragraph (c) of this subsection;

3 “(e) Numbers and amounts as described in paragraphs (c) and (d) of this subsection for [*jobs*  
4 *retained in direct relation to*] **retained jobs and newly created jobs for** the eligible project; and

5 “(f) Any other information required by the department.

6 “(3)(a) If a business firm fails to provide a report required under this section or to verify in-  
7 formation as requested by the Oregon Business Development Department, the Oregon Business De-  
8 velopment Commission, upon recommendation by the department, may suspend the determination of  
9 the commission that the project receive the tax exemption provided for in ORS 307.123.

10 “(b) If the commission suspends the determination of eligibility under this subsection, the ex-  
11 emption is revoked as provided in ORS 307.123 (6), until the department receives the report.

12 “(c) Upon receipt of a report required under this section or the information requested by the  
13 department, the department shall notify the commission and the commission shall rescind the sus-  
14 pension **required under this subsection.**

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

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

20 “(6) After receiving the reports required under this section, the Oregon Business Development  
21 Department shall compile and organize the reported information for purposes of ORS 285C.635 and  
22 transmit it to the Oregon Department of Administrative Services. The Oregon Business Development  
23 Department shall transmit the information not later than April 15.

24 “(7) The Oregon Business Development Department shall adopt rules the department considers  
25 necessary to administer ORS 285C.600 to 285C.639.

26 “**SECTION 3.** ORS 285C.635 is amended to read:

27 “285C.635. (1)(a) Upon receipt of information compiled under ORS 285C.615, the Oregon De-  
28 partment of Administrative Services shall determine the annual amount of personal income tax re-  
29 venue attributable to **newly created jobs for** each eligible project for which an eligible business  
30 firm received a property tax exemption under ORS 307.123.

31 “(b) The amount of personal income tax revenue attributable to **newly created jobs for** each  
32 eligible project under this subsection may not include personal income tax revenue attributable to  
33 the estimated incremental income tax revenues generated by an eligible employer in connection with  
34 a tax reimbursement arrangement or loan agreement that has been entered into under the Oregon  
35 Industrial Site Readiness Program established by ORS 285B.627.

36 “[2] (c) In determining the amount of personal income tax revenue attributable to **newly cre-**  
37 **ated jobs for** each eligible project, the Oregon Department of Administrative Services may rely on  
38 reasonable techniques of estimation, if appropriate.

39 “[3] (2) Not later than May 15 of each fiscal year, the Oregon Department of Administrative  
40 Services shall certify **to the Department of Revenue, the Legislative Revenue Officer and the**  
41 **Legislative Fiscal Officer** the amounts determined under subsection (1) of this section [*to the De-*  
42 *partment of Revenue, the Legislative Revenue Officer and the Legislative Fiscal Officer*] **and the**  
43 **amounts described in subsection (3) of this section to be distributed by the Department of**  
44 **Revenue under subsection (4) of this section.**

45 “(3)(a) **The total amount to be distributed by the Department of Revenue under sub-**

1 section (4) of this section equals 50 percent of the total annual amount of personal income  
2 tax revenue attributable to newly created jobs for all eligible projects as determined under  
3 subsection (1) of this section.

4 “(b)(A) Each county in which an eligible project is located shall receive the amount ob-  
5 tained by multiplying the total amount to be distributed described in paragraph (a) of this  
6 subsection by the ratio of the annual amount of personal income tax revenue determined  
7 under subsection (1) of this section attributable to newly created jobs for all eligible projects  
8 in the county to the annual amount of personal income tax revenue determined under sub-  
9 section (1) of this section attributable to newly created jobs for all eligible projects in all  
10 counties.

11 “(B) The county shall distribute the amount received under this paragraph to the taxing  
12 districts in the county in which an eligible project is located in a manner consistent with the  
13 distribution of the community services fee under ORS 285C.609 for the project.

14 “(c) Notwithstanding paragraph (b) of this subsection, a county may not receive distrib-  
15 utions under this subsection totaling more than \$10 million for any biennium. Excess  
16 amounts for all counties shall be distributed to the State School Fund established under ORS  
17 327.008.

18 “(4) Not sooner than July 10 and not later than July 15 of the [*following fiscal year, after re-*  
19 *ceiving the certification under subsection (3) of this section,*] **fiscal year immediately following the**  
20 **fiscal year in which the certification under subsection (2) of this section is made**, the De-  
21 partment of Revenue shall [*transfer an amount equal to 50 percent of the cumulative amount for all*  
22 *eligible projects determined under subsection (1) of this section to the Shared Services Fund established*  
23 *in ORS 285C.639*] **make the distributions described in subsection (3) of this section.**

24 “(5) The Department of Revenue shall retain unreceipted revenue from the tax imposed under  
25 ORS chapter 316 in an amount necessary to make the [*transfer*] **distributions** required under sub-  
26 section (4) of this section. The department shall make the [*transfer*] **distributions** out of the unre-  
27 ceipted revenue in lieu of paying the revenue over to the State Treasurer for deposit in the General  
28 Fund.

29 “(6) The Oregon Department of Administrative Services shall adopt rules necessary to adminis-  
30 ter this section.

31 “**SECTION 4. ORS 285C.639 is repealed.**

32 “**SECTION 5.** ORS 327.008, as amended by section 6, chapter 81, Oregon Laws 2014, is amended  
33 to read:

34 “327.008. (1) There is established a State School Fund in the General Fund. The fund shall con-  
35 sist of moneys appropriated by the Legislative Assembly [*and*], moneys transferred from the Educa-  
36 tion Stability Fund **and moneys distributed by the Department of Revenue under ORS 285C.635**  
37 **(3)(c).** The State School Fund is continuously appropriated to the Department of Education for the  
38 purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 336.575,  
39 336.580, 336.635, 342.173, 343.243, 343.533 and 343.961 and sections 1 to 3, chapter 735, Oregon Laws  
40 2013, and section 2, chapter 81, Oregon Laws 2014.

41 “(2) There shall be apportioned from the State School Fund to each school district a State  
42 School Fund grant, consisting of the positive amount equal to a general purpose grant and a facility  
43 grant and a transportation grant and a high cost disabilities grant minus local revenue, computed  
44 as provided in ORS 327.011 and 327.013.

45 “(3) There shall be apportioned from the State School Fund to each education service district

1 a State School Fund grant as calculated under ORS 327.019.

2 “(4) All figures used in the determination of the distribution of the State School Fund shall be  
3 estimates for the same year as the distribution occurs, unless otherwise specified.

4 “(5) Numbers of students in average daily membership used in the distribution formula shall be  
5 the numbers as of June of the year of distribution.

6 “(6) A school district may not use the portion of the State School Fund grant that is attributable  
7 to the facility grant for capital construction costs.

8 “(7) The total amount of the State School Fund that is distributed as facility grants may not  
9 exceed \$20 million in any biennium. If the total amount to be distributed as facility grants exceeds  
10 this limitation, the Department of Education shall prorate the amount of funds available for facility  
11 grants among those school districts that qualified for a facility grant.

12 “(8) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Fa-  
13 cility Account established in section 5, chapter 81, Oregon Laws 2014, the amount necessary to pay  
14 the costs of educational services provided to students admitted to pediatric nursing facilities as  
15 provided in section 2, chapter 81, Oregon Laws 2014.

16 “(9) Each fiscal year, the Department of Education shall transfer the amount of \$18 million from  
17 the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

18 “(10)(a) Each biennium, the Department of Education shall transfer \$33 million from the State  
19 School Fund to the Network of Quality Teaching and Learning Fund established under ORS 342.953.

20 “(b) For the purpose of making the transfer under this subsection:

21 “(A) The total amount available for all distributions from the State School Fund shall be reduced  
22 by \$5 million;

23 “(B) The amount distributed to school districts from the State School Fund under this section  
24 and ORS 327.013 shall be reduced by \$14 million; and

25 “(C) The amount distributed to education service districts from the State School Fund under this  
26 section and ORS 327.019 shall be reduced by \$14 million.

27 “(c) For each biennium, the amounts identified in paragraph (b)(B) and (C) of this subsection  
28 shall be adjusted by the same percentage by which the amount appropriated to the State School  
29 Fund for that biennium is increased or decreased compared to the preceding biennium, as deter-  
30 mined by the Department of Education after consultation with the Legislative Fiscal Officer.

31 “(11) Each fiscal year, the Department of Education may expend up to \$550,000 from the State  
32 School Fund for the contract described in ORS 329.488. The amount distributed to education service  
33 districts from the State School Fund under this section and ORS 327.019 shall be reduced by the  
34 amount expended by the department under this subsection.

35 “(12) Each biennium, the Department of Education may expend up to \$350,000 from the State  
36 School Fund to provide administration of and support for the development of talented and gifted  
37 education under ORS 343.404.

38 “(13) Each biennium, the Department of Education may expend up to \$150,000 from the State  
39 School Fund for the administration of a program to increase the number of speech-language  
40 pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

41 “(14) Each fiscal year, the Department of Education shall transfer the amount of \$2.5 million  
42 from the State School Fund to the Small School District Supplement Fund established in section 3,  
43 chapter 735, Oregon Laws 2013.

44 “**SECTION 6.** ORS 327.008, as amended by section 7, chapter 735, Oregon Laws 2013, and sec-  
45 tion 7, chapter 81, Oregon Laws 2014, is amended to read:

1 “327.008. (1) There is established a State School Fund in the General Fund. The fund shall con-  
2 sist of moneys appropriated by the Legislative Assembly [and], moneys transferred from the Educa-  
3 tion Stability Fund **and moneys distributed by the Department of Revenue under ORS 285C.635**  
4 **(3)(c)**. The State School Fund is continuously appropriated to the Department of Education for the  
5 purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 336.575,  
6 336.580, 336.635, 342.173, 343.243, 343.533 and 343.961 and section 2, chapter 81, Oregon Laws 2014.

7 “(2) There shall be apportioned from the State School Fund to each school district a State  
8 School Fund grant, consisting of the positive amount equal to a general purpose grant and a facility  
9 grant and a transportation grant and a high cost disabilities grant minus local revenue, computed  
10 as provided in ORS 327.011 and 327.013.

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12 a State School Fund grant as calculated under ORS 327.019.

13 “(4) All figures used in the determination of the distribution of the State School Fund shall be  
14 estimates for the same year as the distribution occurs, unless otherwise specified.

15 “(5) Numbers of students in average daily membership used in the distribution formula shall be  
16 the numbers as of June of the year of distribution.

17 “(6) A school district may not use the portion of the State School Fund grant that is attributable  
18 to the facility grant for capital construction costs.

19 “(7) The total amount of the State School Fund that is distributed as facility grants may not  
20 exceed \$20 million in any biennium. If the total amount to be distributed as facility grants exceeds  
21 this limitation, the Department of Education shall prorate the amount of funds available for facility  
22 grants among those school districts that qualified for a facility grant.

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30 School Fund to the Network of Quality Teaching and Learning Fund established under ORS 342.953.

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33 by \$5 million;

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38 “(c) For each biennium, the amounts identified in paragraph (b)(B) and (C) of this subsection  
39 shall be adjusted by the same percentage by which the amount appropriated to the State School  
40 Fund for that biennium is increased or decreased compared to the preceding biennium, as deter-  
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5 School Fund for the administration of a program to increase the number of speech-language  
6 pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

7 “**SECTION 7.** Section 6, chapter 905, Oregon Laws 2007, is amended to read:

8 “**Sec. 6.** (1) [*Sections 2 and 3 of this 2007 Act*] **ORS 285C.615 and 285C.635** apply to:

9 “(a) Tax years beginning on or after January 1, 2009[, and before January 1, 2019].

10 “[2] (b) [*Sections 2 and 3 of this 2007 Act apply only to*] Income taxes [*generated as the result*  
11 *of an eligible project that first becomes*] **attributable to eligible projects that first become** exempt  
12 from property taxation under ORS 307.123 on or after January 1, 2008[, and continue to apply only  
13 as long as the project remains exempt].

14 “(2) **Distributions under ORS 285C.635 may not be made on or after January 1, 2025.**

15 “**SECTION 8.** **This 2015 Act being necessary for the immediate preservation of the public**  
16 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**  
17 **on its passage.”.**