

SENATE AMENDMENTS TO SENATE BILL 129

By COMMITTEE ON FINANCE AND REVENUE

April 3

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.635 and 327.008 and section 6, chapter 905,
3 Oregon Laws 2007; repealing ORS 285C.639; and declaring an emergency.”.

4 Delete lines 6 through 22 and delete pages 2 through 5 and insert:

5 **“SECTION 1. The Legislative Assembly finds that:**

6 **“(1) The State of Oregon has a compelling interest in promoting and stimulating eco-**
7 **nomical development within this state.**

8 **“(2) The state can better provide for the welfare of its residents by encouraging counties**
9 **to enter into strategic investment program agreements so that businesses will make signif-**
10 **icant capital investments within this state.**

11 **“(3) Investments in the strategic investment program by businesses under agreements**
12 **with counties create significant, long-term economic benefits and serve as a catalyst for**
13 **additional economic expansion within this state.**

14 **“(4) In consideration for local governments’ support of strategic investment program**
15 **agreements and abatement of tax revenues, and to maintain business development incentives**
16 **for local governments and support economic development opportunities in this state, the**
17 **Legislative Assembly recognizes the importance of certainty in the formula for shared ser-**
18 **vices distributions to counties and other local governments and supports maintaining a**
19 **consistent formula for those distributions.**

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

21 **“285C.635. (1)(a)** Upon receipt of information compiled under ORS 285C.615, the Oregon De-
22 partment of Administrative Services shall determine the annual amount of personal income tax re-
23 venue attributable to each eligible project for which an eligible business firm received a property
24 tax exemption under ORS 307.123.

25 **“(b)** The amount of personal income tax revenue attributable to each eligible project under this
26 subsection may not include personal income tax revenue attributable to the estimated incremental
27 income tax revenues generated by an eligible employer in connection with a tax reimbursement ar-
28 rangement or loan agreement that has been entered into under the Oregon Industrial Site Readiness
29 Program established by ORS 285B.627.

30 **“[(2)] (c)** In determining the amount of personal income tax revenue attributable to each eligible
31 project, the Oregon Department of Administrative Services may rely on reasonable techniques of
32 estimation, if appropriate.

33 **“[(3)] (2)** Not later than May 15 of each fiscal year, the Oregon Department of Administrative
34 Services shall certify **to the Department of Revenue, the Legislative Revenue Officer and the**
35 **Legislative Fiscal Officer** the amounts determined under subsection (1) of this section [*to the De-*

1 *partment of Revenue, the Legislative Revenue Officer and the Legislative Fiscal Officer]* **and the**
2 **amounts described in subsection (3) of this section to be distributed by the Department of**
3 **Revenue under subsection (4) of this section.**

4 “(3)(a) **The total amount to be distributed by the Department of Revenue under sub-**
5 **section (4) of this section equals 50 percent of the total annual amount of personal income**
6 **tax revenue attributable to all eligible projects as determined under subsection (1) of this**
7 **section.**

8 “(b)(A) **Except as provided in paragraph (c) of this subsection, each county in which an**
9 **eligible project is located shall receive the amount obtained by multiplying the total amount**
10 **to be distributed described in paragraph (a) of this subsection by the ratio of the annual**
11 **amount of personal income tax revenue determined under subsection (1) of this section at-**
12 **tributable to all eligible projects in the county to the annual amount of personal income tax**
13 **revenue determined under subsection (1) of this section attributable to all eligible projects**
14 **in all counties.**

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

18 “(c) **In a county for which the annual amount described in subsection (1) of this section**
19 **for all eligible projects in the county exceeds \$5 million, the amount that would otherwise**
20 **be distributed in the manner required under paragraph (b) of this subsection shall be dis-**
21 **tributed as follows:**

22 “(A) **40 percent to the county for distribution to the taxing districts in the county in the**
23 **manner required under paragraph (b)(B) of this subsection.**

24 “(B) **30 percent to the State School Fund established under ORS 327.008.**

25 “(C) **15 percent to the Higher Education Coordinating Commission for the purpose of**
26 **funding the expansion of the statewide Oregon State University agricultural experiment**
27 **station and branch stations, the statewide Oregon State University Extension Service and**
28 **the Forest Research Laboratory.**

29 “(D) **15 percent to the Department of Education Career and Technical Education**
30 **Revitalization Grant Program established under ORS 344.075, for the purpose of expanding**
31 **educational pathways in kindergarten through grade 12 that lead to high-wage and high-**
32 **demand employment. The Department of Education shall provide regionally based technical**
33 **outreach and assistance to rural applicants to achieve equitable statewide distribution of**
34 **grants under this subparagraph.**

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

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

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

3 **“SECTION 3. ORS 285C.639 is repealed.**

4 **“SECTION 4.** ORS 327.008, as amended by section 6, chapter 81, Oregon Laws 2014, is amended
5 to read:

6 “327.008. (1) There is established a State School Fund in the General Fund. The fund shall con-
7 sist of moneys appropriated by the Legislative Assembly [*and*], moneys transferred from the Educa-
8 tion Stability Fund **and moneys distributed by the Department of Revenue under ORS 285C.635**
9 **(3)(c).** The State School Fund is continuously appropriated to the Department of Education for the
10 purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 336.575,
11 336.580, 336.635, 342.173, 343.243, 343.533 and 343.961 and sections 1 to 3, chapter 735, Oregon Laws
12 2013, and section 2, chapter 81, Oregon Laws 2014.

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

17 “(3) There shall be apportioned from the State School Fund to each education service district
18 a State School Fund grant as calculated under ORS 327.019.

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

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

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

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

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

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

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

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

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

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

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

44 “(c) For each biennium, the amounts identified in paragraph (b)(B) and (C) of this subsection
45 shall be adjusted by the same percentage by which the amount appropriated to the State School

1 Fund for that biennium is increased or decreased compared to the preceding biennium, as deter-
2 mined by the Department of Education after consultation with the Legislative Fiscal Officer.

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

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

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

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

16 “**SECTION 5.** ORS 327.008, as amended by section 7, chapter 735, Oregon Laws 2013, and sec-
17 tion 7, chapter 81, Oregon Laws 2014, is amended to read:

18 “327.008. (1) There is established a State School Fund in the General Fund. The fund shall con-
19 sist of moneys appropriated by the Legislative Assembly [*and*], moneys transferred from the Educa-
20 tion Stability Fund **and moneys distributed by the Department of Revenue under ORS 285C.635**
21 **(3)(c).** The State School Fund is continuously appropriated to the Department of Education for the
22 purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 336.575,
23 336.580, 336.635, 342.173, 343.243, 343.533 and 343.961 and section 2, chapter 81, Oregon Laws 2014.

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

28 “(3) There shall be apportioned from the State School Fund to each education service district
29 a State School Fund grant as calculated under ORS 327.019.

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

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

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

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

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

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45 the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

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

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

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

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

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

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

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

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19 School Fund to provide administration of and support for the development of talented and gifted
20 education under ORS 343.404.

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

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

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

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

27 “[2] (b) [*Sections 2 and 3 of this 2007 Act apply only to*] Income taxes [*generated as the result*
28 *of an eligible project that first becomes*] **attributable to eligible projects that first become** exempt
29 from property taxation under ORS 307.123 on or after January 1, 2008[, and continue to apply only
30 as long as the project remains exempt].

31 “(2) **ORS 285C.615 and 285C.635 continue to apply to income taxes attributable to eligible**
32 **projects described in subsection (1)(b) of this section as long as the projects remain exempt**
33 **from property taxation under ORS 307.123.**

34 “(3) **ORS 285C.615 and 285C.635 do not apply to income taxes attributable to eligible**
35 **projects that first become exempt from property taxation under ORS 307.123 on or after**
36 **January 1, 2029.**

37 “**SECTION 7.** Section 1 of this 2015 Act is repealed on January 2, 2020.

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