

**PROPOSED AMENDMENTS TO
SENATE BILL 129**

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

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

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

7 **“(1) The State of Oregon has a compelling interest in promoting and**
8 **stimulating economic development within this state.**

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

13 **“(3) Investments in the strategic investment program by businesses**
14 **under agreements with counties create significant, long-term eco-**
15 **nomical benefits and serve as a catalyst for additional economic expan-**
16 **sion within this state.**

17 **“(4) In consideration for local governments’ support of strategic**
18 **investment program agreements and abatement of tax revenues, and**
19 **to maintain business development incentives for local governments**
20 **and support economic development opportunities in this state, the**
21 **Legislative Assembly recognizes the importance of certainty in the**
22 **formula for shared services distributions to counties and other local**

1 **governments and supports maintaining a consistent formula for those**
2 **distributions.**

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

4 “285C.635. (1)(a) Upon receipt of information compiled under ORS
5 285C.615, the Oregon Department of Administrative Services shall determine
6 the annual amount of personal income tax revenue attributable to each eli-
7 gible project for which an eligible business firm received a property tax ex-
8 emption under ORS 307.123.

9 “(b) The amount of personal income tax revenue attributable to each el-
10 igible project under this subsection may not include personal income tax
11 revenue attributable to the estimated incremental income tax revenues gen-
12 erated by an eligible employer in connection with a tax reimbursement ar-
13 rangement or loan agreement that has been entered into under the Oregon
14 Industrial Site Readiness Program established by ORS 285B.627.

15 “[2] (c) In determining the amount of personal income tax revenue at-
16 tributable to each eligible project, the Oregon Department of Administrative
17 Services may rely on reasonable techniques of estimation, if appropriate.

18 “[3] (2) Not later than May 15 of each fiscal year, the Oregon Depart-
19 ment of Administrative Services shall certify **to the Department of Reve-**
20 **nue, the Legislative Revenue Officer and the Legislative Fiscal Officer**
21 the amounts determined under subsection (1) of this section [*to the Depart-*
22 *ment of Revenue, the Legislative Revenue Officer and the Legislative Fiscal*
23 *Officer*] **and the amounts described in subsection (3) of this section to**
24 **be distributed by the Department of Revenue under subsection (4) of**
25 **this section.**

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

30 “(b)(A) **Except as provided in paragraph (c) of this subsection, each**

1 county in which an eligible project is located shall receive the amount
2 obtained by multiplying the total amount to be distributed described
3 in paragraph (a) of this subsection by the ratio of the annual amount
4 of personal income tax revenue determined under subsection (1) of this
5 section attributable to all eligible projects in the county to the annual
6 amount of personal income tax revenue determined under subsection
7 (1) of this section attributable to all eligible projects in all counties.

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

12 “(c) In a county for which the annual amount described in sub-
13 section (1) of this section for all eligible projects in the county exceeds
14 \$5 million, the amount that would otherwise be distributed in the
15 manner required under paragraph (b) of this subsection shall be dis-
16 tributed as follows:

17 “(A) 40 percent to the county for distribution to the taxing districts
18 in the county in the manner required under paragraph (b)(B) of this
19 subsection;

20 “(B) 30 percent to the State School Fund established under ORS
21 327.008;

22 “(C) 15 percent to the Higher Education Coordinating Commission
23 for expansion of the Oregon State University agricultural experiment
24 station and branch stations, the Oregon State University Extension
25 Service and the Forest Research Laboratory; and

26 “(D) 15 percent to the Department of Education Career and Tech-
27 nical Education Revitalization Grant Program established under ORS
28 344.075, for the purpose of revitalizing and expanding educational
29 pathways in kindergarten through grade 12 that lead to high-wage and
30 high-demand employment.

1 “(4) Not sooner than July 10 and not later than July 15 of the [following
2 fiscal year, after receiving the certification under subsection (3) of this
3 section,] **fiscal year immediately following the fiscal year in which the**
4 **certification under subsection (2) of this section is made**, the Depart-
5 ment of Revenue shall [transfer an amount equal to 50 percent of the cumu-
6 lative amount for all eligible projects determined under subsection (1) of this
7 section to the Shared Services Fund established in ORS 285C.639] **make the**
8 **distributions described in subsection (3) of this section.**

9 “(5) The Department of Revenue shall retain unreceipted revenue from the
10 tax imposed under ORS chapter 316 in an amount necessary to make the
11 [transfer] **distributions** required under subsection (4) of this section. The
12 department shall make the [transfer] **distributions** out of the unreceipted
13 revenue in lieu of paying the revenue over to the State Treasurer for deposit
14 in the General Fund.

15 “(6) The Oregon Department of Administrative Services shall adopt rules
16 necessary to administer this section.

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

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

20 “327.008. (1) There is established a State School Fund in the General
21 Fund. The fund shall consist of moneys appropriated by the Legislative As-
22 sembly [and], moneys transferred from the Education Stability Fund **and**
23 **moneys distributed by the Department of Revenue under ORS 285C.635**

24 **(3)(c).** The State School Fund is continuously appropriated to the Depart-
25 ment of Education for the purposes of ORS 327.006 to 327.077, 327.095,
26 327.099, 327.101, 327.125, 327.137, 327.348, 336.575, 336.580, 336.635, 342.173,
27 343.243, 343.533 and 343.961 and sections 1 to 3, chapter 735, Oregon Laws
28 2013, and section 2, chapter 81, Oregon Laws 2014.

29 “(2) There shall be apportioned from the State School Fund to each school
30 district a State School Fund grant, consisting of the positive amount equal

1 to a general purpose grant and a facility grant and a transportation grant
2 and a high cost disabilities grant minus local revenue, computed as provided
3 in ORS 327.011 and 327.013.

4 “(3) There shall be apportioned from the State School Fund to each edu-
5 cation service district a State School Fund grant as calculated under ORS
6 327.019.

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

10 “(5) Numbers of students in average daily membership used in the dis-
11 tribution formula shall be the numbers as of June of the year of distribution.

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

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

19 “(8) Each fiscal year, the Department of Education shall transfer to the
20 Pediatric Nursing Facility Account established in section 5, chapter 81,
21 Oregon Laws 2014, the amount necessary to pay the costs of educational
22 services provided to students admitted to pediatric nursing facilities as pro-
23 vided in section 2, chapter 81, Oregon Laws 2014.

24 “(9) Each fiscal year, the Department of Education shall transfer the
25 amount of \$18 million from the State School Fund to the High Cost Disa-
26 bilities Account established in ORS 327.348.

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

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

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

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

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

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

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

18 “(12) Each biennium, the Department of Education may expend up to
19 \$350,000 from the State School Fund to provide administration of and support
20 for the development of talented and gifted education under ORS 343.404.

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

25 “(14) Each fiscal year, the Department of Education shall transfer the
26 amount of \$2.5 million from the State School Fund to the Small School Dis-
27 trict Supplement Fund established in section 3, chapter 735, Oregon Laws
28 2013.

29 **“SECTION 5.** ORS 327.008, as amended by section 7, chapter 735, Oregon
30 Laws 2013, and section 7, chapter 81, Oregon Laws 2014, is amended to read:

1 “327.008. (1) There is established a State School Fund in the General
2 Fund. The fund shall consist of moneys appropriated by the Legislative As-
3 sembly [*and*], moneys transferred from the Education Stability Fund **and**
4 **moneys distributed by the Department of Revenue under ORS 285C.635**
5 **(3)(c)**. The State School Fund is continuously appropriated to the Depart-
6 ment of Education for the purposes of ORS 327.006 to 327.077, 327.095,
7 327.099, 327.101, 327.125, 327.137, 327.348, 336.575, 336.580, 336.635, 342.173,
8 343.243, 343.533 and 343.961 and section 2, chapter 81, Oregon Laws 2014.

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

14 “(3) There shall be apportioned from the State School Fund to each edu-
15 cation service district a State School Fund grant as calculated under ORS
16 327.019.

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

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

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

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

29 “(8) Each fiscal year, the Department of Education shall transfer to the
30 Pediatric Nursing Facility Account established in section 5, chapter 81,

1 Oregon Laws 2014, the amount necessary to pay the costs of educational
2 services provided to students admitted to pediatric nursing facilities as pro-
3 vided in section 2, chapter 81, Oregon Laws 2014.

4 “(9) Each fiscal year, the Department of Education shall transfer the
5 amount of \$18 million from the State School Fund to the High Cost Disa-
6 bilities Account established in ORS 327.348.

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

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

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

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

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

18 “(c) For each biennium, the amounts identified in paragraph (b)(B) and
19 (C) of this subsection shall be adjusted by the same percentage by which the
20 amount appropriated to the State School Fund for that biennium is increased
21 or decreased compared to the preceding biennium, as determined by the De-
22 partment of Education after consultation with the Legislative Fiscal Officer.

23 “(11) Each fiscal year, the Department of Education may expend up to
24 \$550,000 from the State School Fund for the contract described in ORS
25 329.488. The amount distributed to education service districts from the State
26 School Fund under this section and ORS 327.019 shall be reduced by the
27 amount expended by the department under this subsection.

28 “(12) Each biennium, the Department of Education may expend up to
29 \$350,000 from the State School Fund to provide administration of and support
30 for the development of talented and gifted education under ORS 343.404.

1 “(13) Each biennium, the Department of Education may expend up to
2 \$150,000 from the State School Fund for the administration of a program to
3 increase the number of speech-language pathologists and speech-language
4 pathology assistants under ORS 348.394 to 348.406.

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

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

9 **“(a)** Tax years beginning on or after January 1, 2009[, *and before January*
10 *1, 2019*].

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

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

20 **“(3) ORS 285C.615 and 285C.635 do not apply to income taxes attrib-**
21 **utable to eligible projects that first become exempt from property**
22 **taxation under ORS 307.123 on or after January 1, 2029.**

23 **“SECTION 7.** Section 1 of this 2015 Act is repealed on January 2,
24 **2020.**

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

28