

**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 lines 3 and 4 and insert “amending ORS 285C.615,
3 285C.639 and 327.008 and section 6, chapter 905, Oregon Laws 2007; repealing
4 ORS 285C.635 and 285C.639; and prescribing an effective date.”.

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 distributions to counties and other local governments**

1 **from the Shared Services Fund under ORS 285C.639 and supports**
2 **maintaining a consistent formula for those distributions.**

3 **“SECTION 2.** ORS 285C.639 is amended to read:

4 “285C.639. (1) The Shared Services Fund is established in the State
5 Treasury, separate and distinct from the General Fund. Interest earned by
6 the Shared Services Fund shall be credited to the fund. The fund shall con-
7 sist of:

8 “(a) Moneys transferred by the Department of Revenue to the fund under
9 ORS 285C.635 (4); and

10 “(b) Interest earnings on moneys in the fund.

11 “(2) All moneys in the Shared Services Fund are continuously appropri-
12 ated to the Oregon Department of Administrative Services for the purpose
13 of making distributions described in subsection (3) of this section.

14 “(3)(a) Not sooner than August 15 and not later than September 1 of the
15 *[following]* fiscal year **immediately following the fiscal year in which the**
16 **certification under ORS 285C.635 (3) is made, except as provided in**
17 **paragraph (b) of this subsection**, the department shall distribute to coun-
18 ties for distribution to taxing districts the moneys from the Shared Services
19 Fund:

20 “[*a*] (A) In proportion to the amount of money transferred into the fund
21 for each eligible project that received a property tax exemption under ORS
22 307.123; and

23 “[*b*] (B) Consistent with the distribution of the community services fee
24 under ORS 285C.609 for that project.

25 “(b) **In a county for which the annual amount described in ORS**
26 **285C.635 (1) for all eligible projects in the county exceeds \$5 million,**
27 **the amount that would otherwise be distributed in the manner re-**
28 **quired under paragraph (a) of this subsection shall be distributed as**
29 **follows:**

30 “(A) **40 percent to the county for distribution to taxing districts in**

1 **the manner required under paragraph (a) of this subsection;**

2 **“(B) 30 percent to the State School Fund established under ORS**
3 **327.008;**

4 **“(C) 15 percent to the Higher Education Coordinating Commission**
5 **for distribution to the Oregon State University Extension Service for**
6 **the purpose of funding county extension operations and programs; and**

7 **“(D) 15 percent to the Department of Education Career and Tech-**
8 **nicul Education Revitalization Grant Program established under ORS**
9 **344.075, for the purpose of revitalizing and expanding educational**
10 **pathways in kindergarten through grade 12 that lead to high-wage and**
11 **high-demand employment.**

12 **“(4) The department shall furnish the Oregon Business Development**
13 **Commission with information on the recipients of the distributions and the**
14 **amounts distributed under this section, as requested by the commission.**

15 **“SECTION 3. ORS 327.008, as amended by section 6, chapter 81, Oregon**
16 **Laws 2014, is amended to read:**

17 **“327.008. (1) There is established a State School Fund in the General**
18 **Fund. The fund shall consist of moneys appropriated by the Legislative As-**
19 **sembly [and], moneys transferred from the Education Stability Fund and**
20 **moneys distributed from the Shared Services Fund under ORS 285C.639**

21 **(3)(b). The State School Fund is continuously appropriated to the Depart-**
22 **ment of Education for the purposes of ORS 327.006 to 327.077, 327.095,**
23 **327.099, 327.101, 327.125, 327.137, 327.348, 336.575, 336.580, 336.635, 342.173,**
24 **343.243, 343.533 and 343.961 and sections 1 to 3, chapter 735, Oregon Laws**
25 **2013, and section 2, chapter 81, Oregon Laws 2014.**

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

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

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

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

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

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

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

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

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

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

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

30 “(B) The amount distributed to school districts from the State School

1 Fund under this section and ORS 327.013 shall be reduced by \$14 million; and

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

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

10 “(11) Each fiscal year, the Department of Education may expend up to
11 \$550,000 from the State School Fund for the contract described in ORS
12 329.488. The amount distributed to education service districts from the State
13 School Fund under this section and ORS 327.019 shall be reduced by the
14 amount expended by the department under this subsection.

15 “(12) Each biennium, the Department of Education may expend up to
16 \$350,000 from the State School Fund to provide administration of and support
17 for the development of talented and gifted education under ORS 343.404.

18 “(13) Each biennium, the Department of Education may expend up to
19 \$150,000 from the State School Fund for the administration of a program to
20 increase the number of speech-language pathologists and speech-language
21 pathology assistants under ORS 348.394 to 348.406.

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

26 “**SECTION 4.** ORS 327.008, as amended by section 7, chapter 735, Oregon
27 Laws 2013, and section 7, chapter 81, Oregon Laws 2014, is amended to read:

28 “327.008. (1) There is established a State School Fund in the General
29 Fund. The fund shall consist of moneys appropriated by the Legislative As-
30 sembly [*and*], moneys transferred from the Education Stability Fund **and**

1 **moneys distributed from the Shared Services Fund under ORS 285C.639**

2 **(3)(b).** The State School Fund is continuously appropriated to the Depart-
3 ment of Education for the purposes of ORS 327.006 to 327.077, 327.095,
4 327.099, 327.101, 327.125, 327.137, 327.348, 336.575, 336.580, 336.635, 342.173,
5 343.243, 343.533 and 343.961 and section 2, chapter 81, Oregon Laws 2014.

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

11 “(3) There shall be apportioned from the State School Fund to each edu-
12 cation service district a State School Fund grant as calculated under ORS
13 327.019.

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

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

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

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

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

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

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

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

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

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

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

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

20 “(11) Each fiscal year, the Department of Education may expend up to
21 \$550,000 from the State School Fund for the contract described in ORS
22 329.488. The amount distributed to education service districts from the State
23 School Fund under this section and ORS 327.019 shall be reduced by the
24 amount expended by the department under this subsection.

25 “(12) Each biennium, the Department of Education may expend up to
26 \$350,000 from the State School Fund to provide administration of and support
27 for the development of talented and gifted education under ORS 343.404.

28 “(13) Each biennium, the Department of Education may expend up to
29 \$150,000 from the State School Fund for the administration of a program to
30 increase the number of speech-language pathologists and speech-language

1 pathology assistants under ORS 348.394 to 348.406.

2 **“SECTION 5.** ORS 285C.615 is amended to read:

3 “285C.615. (1) On or before April 1 following each tax year that property
4 is exempt under ORS 307.123, the business firm that owns or leases the ex-
5 empt property shall submit a report to the Oregon Business Development
6 Department, in addition to any other reporting or filing requirement.

7 “(2) The report shall be in a form prescribed by the Oregon Business De-
8 velopment Department and shall include:

9 “(a) The assessed value and location of taxable and exempt property con-
10 stituting the eligible project and the corresponding payment and savings of
11 property taxes for the tax year, as ascertained from the county assessor;

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

15 “(c) The average number of persons hired or employed by the business
16 firm in association with the eligible project, determined by dividing the total
17 number of hours for which such hired or employed persons were paid during
18 the immediate prior calendar year by 2,080;

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

21 “(e) Numbers and amounts as described in paragraphs (c) and (d) of this
22 subsection for jobs retained in direct relation to the eligible project; and

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

24 “(3) If a business firm fails to provide a report required under this section
25 or to verify information as requested by the Oregon Business Development
26 Department, the Oregon Business Development Commission, upon recom-
27 mendation by the department, may suspend the determination of the com-
28 mission that the project receive the tax exemption provided for in ORS
29 307.123. If the commission suspends the determination of eligibility under
30 this subsection, the exemption is revoked as provided in ORS 307.123 (6),

1 until the department receives the report. Upon receipt of a report required
2 under this section or the information requested by the department, the de-
3 partment shall notify the commission and the commission shall rescind the
4 suspension.

5 “(4) Information collected under this section may be used by the Oregon
6 Business Development Department to make aggregate figures and analyses
7 of activity under the strategic investment program publicly available.

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

11 “[*(6) After receiving the reports required under this section, the Oregon*
12 *Business Development Department shall compile and organize the reported*
13 *information for purposes of ORS 285C.635 and transmit it to the Oregon De-*
14 *partment of Administrative Services. The Oregon Business Development De-*
15 *partment shall transmit the information not later than April 15.]*

16 “[*(7)*] **(6)** The Oregon Business Development Department shall adopt rules
17 the department considers necessary to administer ORS 285C.600 to 285C.639.

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

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

22 “**(1)** Tax years beginning on or after January 1, 2009[, *and before January*
23 *1, 2019*].

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

29 “**SECTION 7.** **The amendments to 285C.639 and 327.008 by sections**
30 **2, 3 and 4 of this 2015 Act apply to tax years beginning on or after**

1 **January 1, 2016.**

2 **“SECTION 8. The amendments to ORS 285C.615 by section 5 of this**
3 **2015 Act become operative on January 2, 2029.**

4 **“SECTION 9. (1) ORS 285C.635 and 285C.639 are repealed on January**
5 **2, 2029.**

6 **“(2) Section 1 of this 2015 Act is repealed on January 2, 2020.**

7 **“SECTION 10. This 2015 Act takes effect on the 91st day after the**
8 **date on which the 2015 regular session of the Seventy-eighth Legisla-**
9 **tive Assembly adjourns sine die.”.**

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