

**PROPOSED AMENDMENTS TO
HOUSE BILL 2070**

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

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

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

7 “285C.600. As used in ORS 285C.600 to 285C.639:

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

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

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

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

17 “[~~(4)~~] **(5)** ‘Publicly funded job training provider’ has the meaning given
18 that term in ORS 285C.050.

19 “[~~(5)~~] **(6)** ‘Rural area’ means an area located entirely outside of the urban
20 growth boundary of a city with a population of 30,000 or more, as the urban
21 growth boundary is acknowledged on December 1, 2002.

22 “[~~(6)~~] **(7)** ‘Strategic investment zone’ means a geographic area established

1 under ORS 285C.623, within which the property of eligible projects may be
2 exempt from property taxation under ORS 307.123.

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

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

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

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

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

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

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

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

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

26 “(3)(a) If a business firm fails to provide a report required under this
27 section or to verify information as requested by the Oregon Business Devel-
28 opment Department, the Oregon Business Development Commission, upon
29 recommendation by the department, may suspend the determination of the
30 commission that the project receive the tax exemption provided for in ORS

1 307.123.

2 “(b) If the commission suspends the determination of eligibility under this
3 subsection, the exemption is revoked as provided in ORS 307.123 (6), until the
4 department receives the report.

5 “(c) Upon receipt of a report required under this section or the informa-
6 tion requested by the department, the department shall notify the commission
7 and the commission shall rescind the suspension **required under this sub-**
8 **section.**

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

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

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

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

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

23 “285C.635. (1)(a) Upon receipt of information compiled under ORS
24 285C.615, the Oregon Department of Administrative Services shall determine
25 the annual amount of personal income tax revenue attributable to **newly**
26 **created jobs for** each eligible project for which an eligible business firm
27 received a property tax exemption under ORS 307.123.

28 “(b) The amount of personal income tax revenue attributable to **newly**
29 **created jobs for** each eligible project under this subsection may not include
30 personal income tax revenue attributable to the estimated incremental in-

1 come tax revenues generated by an eligible employer in connection with a
2 tax reimbursement arrangement or loan agreement that has been entered into
3 under the Oregon Industrial Site Readiness Program established by ORS
4 285B.627.

5 “[2] (c) In determining the amount of personal income tax revenue at-
6 tributable to **newly created jobs for** each eligible project, the Oregon De-
7 partment of Administrative Services may rely on reasonable techniques of
8 estimation, if appropriate.

9 “[3] (2) Not later than May 15 of each fiscal year, the Oregon Depart-
10 ment of Administrative Services shall certify **to the Department of Reve-**
11 **nue, the Legislative Revenue Officer and the Legislative Fiscal Officer**
12 the amounts determined under subsection (1) of this section [*to the Depart-*
13 *ment of Revenue, the Legislative Revenue Officer and the Legislative Fiscal*
14 *Officer*] **and the amounts described in subsection (3) of this section to**
15 **be distributed by the Department of Revenue under subsection (4) of**
16 **this section.**

17 “(3)(a) **The total amount to be distributed by the Department of**
18 **Revenue under subsection (4) of this section equals 50 percent of the**
19 **total annual amount of personal income tax revenue attributable to**
20 **newly created jobs for all eligible projects as determined under sub-**
21 **section (1) of this section.**

22 “(b)(A) **Each county in which an eligible project is located shall**
23 **receive the amount obtained by multiplying the total amount to be**
24 **distributed described in paragraph (a) of this subsection by the ratio**
25 **of the annual amount of personal income tax revenue determined un-**
26 **der subsection (1) of this section attributable to newly created jobs for**
27 **all eligible projects in the county to the annual amount of personal**
28 **income tax revenue determined under subsection (1) of this section**
29 **attributable to newly created jobs for all eligible projects in all coun-**
30 **ties.**

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

5 “(c) Notwithstanding paragraph (b) of this subsection, a county may
6 not receive distributions under this subsection totaling more than \$10
7 million for any biennium. Excess amounts for all counties shall be
8 distributed to the State School Fund established under ORS 327.008.

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

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

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

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

26 “**SECTION 5.** ORS 327.008, as amended by section 6, chapter 81, Oregon
27 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 by the Department of Revenue under ORS 285C.635**

2 **(3)(c).** 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 sections 1 to 3, chapter 735, Oregon Laws
6 2013, and section 2, chapter 81, Oregon Laws 2014.

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

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

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

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

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

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

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

1 vided in section 2, chapter 81, Oregon Laws 2014.

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

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

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

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

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

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

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

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

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

29 “(13) Each biennium, the Department of Education may expend up to
30 \$150,000 from the State School Fund for the administration of a program to

1 increase the number of speech-language pathologists and speech-language
2 pathology assistants under ORS 348.394 to 348.406.

3 “(14) Each fiscal year, the Department of Education shall transfer the
4 amount of \$2.5 million from the State School Fund to the Small School Dis-
5 trict Supplement Fund established in section 3, chapter 735, Oregon Laws
6 2013.

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

9 “327.008. (1) There is established a State School Fund in the General
10 Fund. The fund shall consist of moneys appropriated by the Legislative As-
11 sembly [and], moneys transferred from the Education Stability Fund **and**
12 **moneys distributed by the Department of Revenue under ORS 285C.635**
13 **(3)(c).** The State School Fund is continuously appropriated to the Depart-
14 ment of Education for the purposes of ORS 327.006 to 327.077, 327.095,
15 327.099, 327.101, 327.125, 327.137, 327.348, 336.575, 336.580, 336.635, 342.173,
16 343.243, 343.533 and 343.961 and section 2, chapter 81, Oregon Laws 2014.

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

22 “(3) There shall be apportioned from the State School Fund to each edu-
23 cation service district a State School Fund grant as calculated under ORS
24 327.019.

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

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

30 “(6) A school district may not use the portion of the State School Fund

1 grant that is attributable to the facility grant for capital construction costs.

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

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

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

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

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

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

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

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

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

1 “(11) Each fiscal year, the Department of Education may expend up to
2 \$550,000 from the State School Fund for the contract described in ORS
3 329.488. The amount distributed to education service districts from the State
4 School Fund under this section and ORS 327.019 shall be reduced by the
5 amount expended by the department under this subsection.

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

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

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

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

17 **“(a)** Tax years beginning on or after January 1, 2009[, *and before January*
18 *1, 2019*].

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

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

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

29