

## HB 3146 A STAFF MEASURE SUMMARY

### House Committee On Business and Labor

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**Action Date:** 04/17/17

**Action:** Without recommendation as to passage, with amendments, and be referred to Revenue.  
(Printed A-Eng.)

**Vote:** 9-0-0-0

**Yeas:** 9 - Barreto, Bynum, Doherty, Evans, Fahey, Hack, Heard, Holvey, Kennemer

**Fiscal:** No fiscal impact

**Revenue:** Revenue impact issued

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#### WHAT THE MEASURE DOES:

Modifies the calculation of wage requirements for workers hired by business benefiting from certain economic development programs in rural counties. Takes effect 91st day following adjournment sine die.

#### ISSUES DISCUSSED:

- Port of Morrow experience in attracting businesses
- Impact of temporary construction jobs on average county wage

#### EFFECT OF AMENDMENT:

Limits provisions regarding calculation of wages and per capita income to facilities located in counties outside of all metropolitan statistical areas. Requires facilities participating in rural enterprise zone program to compensate, on average, at a minimum of 130 percent of county's average annual wage. Requires facilities participating in business development income tax exemption program to provide annual compensation of at least 130 percent of county's per capita personal income. Requires facilities participating in business retention expansion program to compensate employees, on average, at a minimum of 130 percent of county or state average annual employee compensation level, whichever is less. Requires facilities participating in industrial site readiness program to compensate full-time employees, on average, at a minimum of 130 percent of county or state average wage, whichever is less.

#### BACKGROUND:

Economic development programs often include tax abatements or tax credits to employers as an incentive to develop or expand their business operations in targeted locations. In return for the tax benefits, the employer typically has to guarantee that the jobs created will pay relatively high wages. Each economic development program provides a specific wage standard; for example, the compensation for new jobs at the facility must average at least 150 percent of the county or state average wage, whichever is less. The Port of Morrow described the effect high paying temporary construction jobs in the area have on the county's average wage.

House Bill 3146-A lowers the wage standard for facilities participating in the following economic development programs: enterprise zones, the business development income tax exemption program, the business retention and expansion program, and the industrial site readiness program. The measure affects the wage standard only for facilities in rural counties (defined as counties outside of all metropolitan statistical areas).