

Senate Bill 631

Sponsored by Senator KNOPP (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Removes minimum requirements for cost and employment terms for qualifying investment contract. Provides that Governor and Director of Department of Revenue shall negotiate minimum requirements of contract with taxpayer.

Removes deadline for entering into qualified investment contracts.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to qualifying investment contracts; amending ORS 314.668 and section 7, chapter 1, Oregon
3 Laws 2012 (special session); and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 314.668 is amended to read:

6 314.668. As used in ORS 314.668 to 314.673:

7 (1) "Actual cost" means the costs of labor, materials, supplies, equipment rental, real or personal
8 property acquisition, permits, engineering, financing, required fees, insurance, administration, ac-
9 counting, maintenance, repair or replacement and debt service, and all other direct or indirect costs
10 incurred by a person in order to undertake a capital project, or of more than one capital project
11 undertaken by the same taxpayer as part of the same qualifying investment.

12 (2) "Capital project" means a project within this state for the construction, modification, re-
13 placement, repair, remodeling or renovation of a structure or structures, addition to a structure or
14 structures, or other capital improvement, that qualifies as a qualifying investment, including but not
15 limited to:

16 (a) Acquisition of a legal interest or right in land or property in conjunction with the capital
17 improvement, including but not limited to the purchase, lease or occupancy of real property, in-
18 cluding the buildings, structures, infrastructure and leasehold improvements on the land or property;

19 (b) Acquisition of existing structures, or legal interests or rights in structures, in conjunction
20 with the capital improvement;

21 (c) Acquisition and installation of machinery or equipment, furnishings, fixtures or other per-
22 sonal property or materials, in conjunction with the capital improvement; or

23 (d) Services and activities performed in relation to the capital improvement, including planning,
24 design, authorizing, issuing, carrying or repaying interim or permanent financing, research, study
25 of land use and environmental impacts, acquiring permits or licenses, or other services connected
26 with the capital improvement, and costs associated with the performance of these services and ac-
27 tivities.

28 (3) "Debt service" includes debt service payments or payments into reserve accounts for debt
29 service and payment of amounts necessary to meet debt service coverage requirements.

30 (4) "Qualifying investment" means expenditures made by the taxpayer relating to a capital

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 project:

2 (a) The actual cost of which exceeds [*\$150 million within a five-year*] **a minimum dollar amount**
 3 **spent within a stated time** period measured from the commencement of the term of the qualifying
 4 investment contract[; *and*]. **The Governor and the Director of the Department of Revenue shall**
 5 **negotiate the minimum dollar amount and stated time period with the taxpayer.**

6 (b) That result in the taxpayer employing [*at least 500 more full-time equivalent employees in this*
 7 *state than the taxpayer employed in this state when the qualifying investment was commenced*] **a**
 8 **minimum number of full-time equivalent employees in this state that is greater than the**
 9 **number of full-time equivalent employees employed by the taxpayer in this state when the**
 10 **qualifying investment is commenced. The Governor and the Director of the Department of**
 11 **Revenue shall negotiate the minimum number of full-time equivalent employees with the**
 12 **taxpayer.**

13 (5) “Qualifying investment contract” means a contract between the State of Oregon and a tax-
 14 payer that meets the requirements of ORS 314.671.

15 (6) “Single sales factor method” means the method of business income apportionment required
 16 under ORS 314.650 and 314.665 and the rules adopted thereunder, as in effect on the date a quali-
 17 fying investment contract is executed.

18 (7) “Term of the qualifying investment contract” means the duration of the parties’ obligations
 19 under a qualifying investment contract.

20 **SECTION 2.** Section 7, chapter 1, Oregon Laws 2012 (special session), is amended to read:

21 **Sec. 7.** A qualifying investment contract as defined in [*section 3 of this 2012 special session*
 22 *Act*] **ORS 314.668** may not be entered into[:]

23 [(1)] before December 14, 2012.

24 [(2) *On or after January 1, 2014.*]

25 **SECTION 3.** **This 2017 Act takes effect on the 91st day after the date on which the 2017**
 26 **regular session of the Seventy-ninth Legislative Assembly adjourns sine die.**

27