

SB 34 -2 STAFF MEASURE SUMMARY

Senate Committee On Business and General Government

Prepared By: Tyler Larson, LPRO Analyst

Meeting Dates: 1/31, 3/28

WHAT THE MEASURE DOES:

Amends provisions of industrial site readiness program. Reduces wage requirements employers must meet to be eligible for program. Allows multiple employers on project to aggregate employment and wage data to meet eligibility requirements. Expands program eligibility to private owners. Limits reimbursement for private owners to 50 percent of the private owners' eligible site preparation costs. Excludes acquisition and assembly costs from eligible costs. Takes effect 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Role of development-ready industrial sites in local business and job growth and obstacles to having land ready for potential development
- Stakeholder goals for industrial site readiness program including reduced wages, allowing all employers to aggregate employment and wage data to meet program requirements, and allowing private owners to receive program incentives
- Relative merits of using tax incentives to subsidize development

EFFECT OF AMENDMENT:

-2 Restores wage requirements for urban site. Removes program eligibility for private owners.

BACKGROUND:

Senate Bill 246 (2013) requires the Oregon Business Development Department (Business Oregon) to establish and administer the Oregon Industrial Site Readiness Program to offer income tax reimbursement for approved industrial site readiness activities. The program is designed to incentivize the development of shovel-ready industrial building sites throughout the state.

Current statute establishes minimum full-time employee and wage standards for eligible employers and does not explicitly allow private owners to participate in the program. Senate Bill 34 reduces the wage requirements from 150 percent of the lesser of county or state average wage to 130 percent, changes the minimum full-time employee standard for an eligible employer to a minimum full-time employee standard for all employers working on-site, and explicitly allows private owners to receive income tax reimbursements for eligible site preparation costs.