

HB 4042 A STAFF MEASURE SUMMARY

House Committee On Revenue

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/21

WHAT THE MEASURE DOES:

Establishes the Industrial Site Loan Fund (ISLF) and appropriates \$40,000,000 to the fund from the General Fund. Authorizes the Oregon Business Development Department (OBDD) to provide financial assistance, including forgivable loans, from the ISLF to a project sponsor for an industrial land development project or a planning project in accordance with specified criteria. Extends the sunset on the Oregon Industrial Site Readiness Program from July 1, 2023 to December 31, 2034. Allows businesses engaged in semiconductor-related development activities to benefit from electronic commerce zone property tax exemption. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Preparing industrial land to be used by business
- Small communities' use of the Oregon Industrial Site Readiness Program
- The importance of the Oregon Industrial Site Readiness Program to the state generally

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Industrial Site Readiness Program (Program) was established in 2013 and replaced by SB333 in 2017 Session, to provide financial assistance to qualified project sponsors through tax reimbursement arrangements and loans, including forgivable loans. However, the Program Fund has not been capitalized to date and the Oregon Business Development Department (OBDD) has not provided loans to qualified project sponsors. Twelve Regionally Significant Industrial Sites have been designated and approved. OBDD reports that project sites represent 6,250 acres of industrial land that are expected to generate over 34,000 jobs.

House Bill 4042 A creates the Industrial Site Loan Fund and appropriates \$40 million to the fund to provide financial assistance and forgivable loans to qualified projects, extends the availability of incremental income tax payments to project sponsors to projects certified through 2034, and adds semiconductor related activities to qualifications for e-commerce enterprise zone tax exemption.