



February 6, 2024

Senator Meek, Chair
Senate Committee on Finance and Revenue
900 Court St. NE
Salem, OR 97301

RE: SB 1526 Requested Technical Fix for the Regionally Significant Industrial Sites (RSIS) Program:

Dear Chair Meek and Members of the Senate Committee on Finance and Revenue:

The RSIS program has two components. A loan component, which has never been capitalized since the program was created a decade ago, and a reimbursement component that the City of Hillsboro and a few other jurisdictions have utilized since the program's inception. This session, the industrial lands coalition is advocating for reinstating the program itself, which expired at the end of June 2023. The coalition is also advocating for capitalization of the loan fund so that component of the RSIS program can finally be put to use, and for technical changes to help Business Oregon administer the program and to allow the agency to accurately calculate payments to local sponsors via income tax revenue generated when a business locates in an area made development ready through local funding. Although we support all of the issues mentioned above, my testimony today only addresses the technical changes to statute required to help the reimbursement component of RSIS function as intended.

The reimbursement component of the RSIS program allows local jurisdictions to invest local funding in industrial site readiness infrastructure and to apply to Business Oregon for reimbursement from a share of the state income taxes created from qualifying jobs created on site. Current statutory language, however, does not provide Business Oregon authority to access available or accurate jobs data from the Oregon Employment Department to facilitate calculation of reimbursement payments to local jurisdictions. In particular, the statutory language does not allow Business Oregon to access data at a particular facility that locates on a regionally significant industrial site when a firm has more than one location in Oregon. Business Oregon has instead had to rely on self-reported data from companies to make the necessary calculations. As a result, local jurisdictions are not fully incentivized to commit significant local funding to critical industrial site readiness investments because the state cannot accurately calculate reimbursement payments that local jurisdictions rely on when investing under the RSIS program.

In order to ensure the RSIS program can fulfill its intended purpose to act as an incentive to local jurisdictions to prepare industrial sites for private investment, legislation is required to align statutory language with readily available accurate jobs data. We appreciate the work Business Oregon did to identify the language below that if enacted, would allow the agency to access available and accurate jobs data. The City of Hillsboro and the broader stakeholder coalition are in support of this solution.

Current Statutory Language (ORS 285B.626):

(1)(b)(A) – with respect to a rural site, has hired at least 25 full-time employees whose wages average at least 150 percent of the county or state average wage, whichever is less; or
(B) – with respect to an urban site, has hired at least 50 full-time employees whose wages average at least 150 percent of the county or state average wage, whichever is less.

Proposed Amendment to Current Statutory Language:

(1)(b)(A) – with respect to a rural site, has **expanded average annual employment by** ~~hired~~ at least 25 **jobs and has an average annual wage at the establishment of** ~~full-time employees whose wages average~~ at least 150 percent of the county or state average wage, whichever is less; or
(B) – with respect to an urban site, has **expanded average annual employment by** ~~hired~~ at least 50 **jobs and has an average annual wage at the establishment of** ~~full-time employees whose wages average~~ at least 150 percent of the county or state average wage, whichever is less.

We thank Business Oregon for their partnership in developing this language, and we urge your support to include this language in SB 1526.

Sincerely,



Andy Smith
Government Relations Manager