

House Bill 2284

Sponsored by Representative READ (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**.

Requires Oregon Business Development Department to establish and administer Oregon Industrial Site Readiness Program to make loans to qualified project sponsors for development of certified state and regionally significant industrial sites. Allows department to forgive portions of loans where project sponsor contracts with eligible employer. Limits loan forgiveness to lesser of percentage of eligible site preparation costs or estimated incremental income tax revenues.

Establishes Oregon Industrial Site Readiness Program Fund. Continuously appropriates moneys in fund to Oregon Business Development Department.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to the Oregon Industrial Site Readiness Program; appropriating money; and prescribing an effective date.

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

SECTION 1. The Legislative Assembly finds that:

(1) Traded sector industries are the foundation of state and regional economic development strategies for long-term prosperity and job creation.

(2) Industrial development that provides new traded sector jobs reinforces the economies of local and regional communities and contributes to the economic recovery of the State of Oregon.

(3) There is a shortage of market-ready state and regional industrial sites in this state. Project sponsors have limited financial tools to facilitate development of significant and complex industrial sites that are appropriate for traded sector industrial use.

(4) Public assistance is necessary to overcome development-related constraints and to incentivize industrial site development in this state.

(5) The State of Oregon has a significant interest in the success of state and regional economic development strategies and is the primary beneficiary from increased income tax revenues generated by such economic development. These revenues should be shared and invested in facilitating significant site development for traded sector industrial use in this state.

SECTION 2. As used in sections 1 to 5 of this 2013 Act:

(1) "Compensation" has the meaning given that term in ORS 314.610.

(2) "Eligible employer" means an employer that:

(a) Has entered into a contract with a project sponsor to conduct a business in the traded sector industry on a state and regionally significant industrial site; and

(b) Has hired one or more full-time employees who are residents of this state and whose compensation averages at least the county or state average in annual per employee compensation, whichever is less.

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.

(3) "Estimated incremental income tax revenues" means the Oregon personal income tax revenues that are estimated pursuant to section 4 of this 2013 Act to be substantially equivalent to the amount of tax that employees of an eligible employer who are hired after the eligible employer enters into a contract with a qualified project sponsor to conduct a traded sector business on a certified state and regionally significant industrial site will be required to pay under ORS chapter 316 as a result of compensation paid to the employees by the eligible employer in the tax years beginning with the tax year following the fifth tax year in which a project sponsor was qualified under section 3 of this 2013 Act.

(4) "Project sponsor" means a public or private owner of a state and regionally significant industrial site that is investing in preparation of the site for industrial and traded sector development either for the owner's use or for use by a third party.

(5) "State and regionally significant industrial site" means a site certified for inclusion in the Oregon Industrial Site Readiness Program under section 3 of this 2013 Act.

(6) "Traded sector" has the meaning given that term in ORS 285A.010.

SECTION 3. (1) In consultation with the Department of Revenue, the Oregon Business Development Department shall establish and administer the Oregon Industrial Site Readiness Program. The purpose of the program is to provide loans, including forgivable loans, to qualified project sponsors to allow for the development of state and regionally significant industrial sites certified under this section.

(2)(a) Subject to standards and procedures that the Oregon Business Development Department shall establish by rule, the department shall certify state and regionally significant industrial sites for inclusion in the readiness program.

(b) A state and regionally significant industrial site certified under this section must be a large industrial site that is zoned and planned for industrial or traded sector use and that is either:

(A) A site of 25 net acres or greater in a metropolitan statistical area as defined in ORS 267.010; or

(B) A site of 15 net acres or greater in a rural area as defined in ORS 285A.010.

(3) A project sponsor may apply to participate in the readiness program by submitting an application and development plan in writing in a form prescribed by the department by rule.

(4) The department shall establish by rule criteria and standards for the qualification of project sponsors to participate in the program.

(5)(a) Upon qualification of a project sponsor under this section, the department may enter into a loan agreement with the project sponsor under terms and conditions specified and required by the department.

(b) The agreement may specify that a portion of the loan may be forgiven if the project sponsor enters into a contract with an eligible employer to conduct a business in the traded sector industry on a state and regionally significant industrial site within five years after the project sponsor was qualified under this section.

(c) The total amount of the loan forgiveness that may be allowed under paragraph (b) of this subsection is the lesser of:

(A) 50 percent of the total cost of eligible site preparation costs; or

(B) 50 percent of the amount of the estimated incremental income tax revenues for the eligible employer.

1 (6) The department shall establish, by rule, eligible site preparation costs including, but
2 not limited to, some or all of the following:

3 (a) Acquisition and assembly costs associated with creating large development parcels.

4 (b) Transportation improvements such as access roads, intersections, turning lanes,
5 signals, sidewalks, curbs, transit stops and storm drains.

6 (c) Water and sewer infrastructure.

7 (d) Natural resource mitigation.

8 (e) Site grading activities.

9 (f) Environmental remediation and mitigation activities to address brownfields issues in
10 accordance with state and federally approved remediation plans.

11 (g) Planning, engineering and administrative costs associated with applying for necessary
12 local, state and federal permits.

13 (h) Interest-carrying costs incurred by a project sponsor for borrowing undertaken to
14 develop a state and regionally significant industrial site, not to exceed 20 percent of the total
15 amount forgiven, if any, under subsection (5) of this section.

16 SECTION 4. The Director of the Oregon Business Development Department, in consul-
17 tation with the Director of the Department of Revenue, shall:

18 (1) Specify the methodology for estimating incremental income tax revenues; and

19 (2) Estimate incremental income tax revenues.

20 SECTION 5. The Oregon Industrial Site Readiness Program Fund is established in the
21 State Treasury, separate and distinct from the General Fund. The Oregon Industrial Site
22 Readiness Program Fund consists of amounts deposited in the fund and other moneys
23 transferred to the fund. Amounts in the fund are continuously appropriated to the Oregon
24 Business Development Department for the purposes of making the loans under section 3 of
25 this 2013 Act and paying the costs and expenses of the Oregon Business Development De-
26 partment in connection with the implementation and administration of sections 1 to 5 of this
27 2013 Act.

28 SECTION 6. The Oregon Business Development Department shall report on the Oregon
29 Industrial Site Readiness Program to the committees of the Seventy-eighth Legislative As-
30 sembly with authority over the subject area of economic development during the 2015 regular
31 session.

32 SECTION 7. This 2013 Act takes effect on the 91st day after the date on which the 2013
33 regular session of the Seventy-seventh Legislative Assembly adjourns sine die.
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