

SB 333 B STAFF MEASURE SUMMARY

Carrier: Rep. Barreto

House Committee On Rules

Action Date: 06/15/17
Action: Do Pass the B-Eng bill.
Vote: 6-0-3-0
Yeas: 6 - Barreto, Holvey, Kennemer, Nosse, Smith Warner, Williamson
Exc: 3 - Hack, McLane, Rayfield
Fiscal: Has minimal fiscal impact
Revenue: No revenue impact, statement issued (Indeterminate Impact)
Prepared By: Erin Seiler, LPRO Analyst

WHAT THE MEASURE DOES:

Directs Oregon Business Development Department (OBDD) to obtain employment and wage information for eligible employer at regionally significant industrial site and to determine annual amount of estimated incremental annual income tax revenues generated by eligible employer. Directs OBDD to request Oregon Department of Administrative Services (DAS) certify amounts of estimated incremental income tax revenue. Permits Oregon Employment Department to disclose information required by OBDD to administer Oregon Industrial Site Readiness Program (Program). Requires OBDD consult with Oregon Department of Revenue to establish and administer Program. Takes effect 91st day following adjournment *sine die*.

ISSUES DISCUSSED:

- Program creation in 2011
- Economic impact of bringing industrial sites "online"
- Streamlining collection of employment and wage information
- Process for identifying regionally significant industrial sites
- Expediting timeline to develop such site

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon lacks large sites available for industrial development. Such sites are considered an integral part of efforts to expand and improve the state's economy and to attract and retain large employers in the state. There has been consistent interest in potential development of industrial sites of 50 acres and up, even during the recession just a few years ago. The legislature sought to address the shortage of industrial land with the passage of Senate Bills 766 in 2011 and 246 in 2013, which provided an expedited permitting process and established the Oregon Industrial Site Readiness Program (Program), respectively enabling the Oregon Business Development Department to make loans and/or provide tax reimbursement for development of regionally significant industrial sites.

The Program returns half of the income tax revenue, attributable to businesses that locate on certain industrial sites, back to local government sponsors. It can be up to the full cost of providing infrastructure or half of the cost of providing infrastructure if a loan is issued to the sponsor. Currently, income tax revenues are redistributed to the sponsor after five years of industry operation. Senate Bill 333-B changes this waiting period to one year.