

HB 2053-2
(LC 422)
3/12/19 (ASD/ps)

Requested by HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT (at the request of Oregon
Business Development Department)

**PROPOSED AMENDMENTS TO
HOUSE BILL 2053**

1 On page 1 of the printed bill, line 3, after “285A.075,” insert “285B.059,
2 285B.410,”.

3 Delete line 17 and insert “Oregon Business Development Department for
4 an entire calendar year based on amounts determined by the Employment
5 Department.”.

6 On page 5, line 11, before the colon insert “, and in addition to the defi-
7 nitions under ORS 285A.010 applicable to ORS chapter 285B”.

8 On page 15, delete lines 28 through 45.

9 On page 16, delete lines 1 through 35 and insert:

10 **“SECTION 15.** ORS 285B.626 is amended to read:

11 “285B.626. As used in ORS 285B.625 to 285B.632, **and in addition to the**
12 **definitions under ORS 285A.010 applicable to ORS chapter 285B:**

13 **“(1) ‘County or state wage’ means the average wage:**

14 **“(a) Where a regionally significant industrial site is located; and**

15 **“(b) For all employment, unless the Oregon Business Development**
16 **Department has adopted a rule limiting ‘county or state average**
17 **wage’ to mean the average wage for private sector employment only.**

18 “[*(1) ‘Eligible employer’ means an employer that:*]

19 “[*(a) Is conducting a traded sector business on a regionally significant in-*
20 *dustrial site; and]*

21 “[*(b)(A) With respect to a rural site, has hired at least 25 full-time em-*

1 *ployees whose wages average at least 150 percent of the county or state average*
2 *wage, whichever is less; or]*

3 “[*B*] *With respect to an urban site, has hired At least 50 full-time em-*
4 *ployees whose wages average at least 150 percent of the county or state average*
5 *wage, whichever is less.]*

6 “**(2) ‘Eligible employer’ means an employer that is conducting**
7 **business in a traded sector industry on a regionally significant indus-**
8 **trial site at which, following the site’s designation under ORS 285B.627,**
9 **one or more eligible employers have cumulatively hired:**

10 “**(a) At least 50 full-time equivalent employees whose compensation**
11 **averages at least 150 percent of the county or state wage; or**

12 “**(b) If the site is located in a rural area, at least 25 full-time**
13 **equivalent employees whose compensation averages at least 130 per-**
14 **cent of the county or state wage.**

15 “[~~(2)~~] **(3) ‘Estimated incremental income tax revenues’ means the Oregon**
16 **personal income tax revenues that are equivalent to the amount of tax that**
17 **employees of an eligible employer, [*who are*] hired by the eligible employer**
18 **on a designated regionally significant industrial site, have paid under ORS**
19 **chapter 316 in the tax years following the first tax year in which the eligible**
20 **employer begins conducting a traded sector business on [*the*] a designated**
21 **regionally significant industrial site.**

22 “[~~(3)~~] **(4) ‘Industrial use’ means employment activities, including but not**
23 **limited to manufacturing, assembly, fabrication, processing, storage, logis-**
24 **tics, warehousing, importation, distribution, transshipment and research and**
25 **development, that generate income from the production, handling or distrib-**
26 **ution of goods or services, including goods or services in the traded sector.**

27 “[~~(4)~~] **(5) ‘Project sponsor’ means:**

28 “**(a) A public owner of a regionally significant industrial site that is in-**
29 **vesting in preparation of the site for industrial use by a third party; or**

30 “**(b) A public entity that has entered into a development or other agree-**

1 ment with the private owner of a regionally significant industrial site to
2 prepare the site for industrial use.

3 “[5] (6) ‘Regionally significant industrial site’ means a site planned and
4 zoned for industrial use that:

5 “(a)(A) Is suitable for the location of new industrial uses or the expansion
6 of existing industrial uses and that can provide significant additional em-
7 ployment in the region;

8 “(B) Has site characteristics that provide significant competitive advan-
9 tages that are difficult or impossible to replicate in the region; and

10 “(C) Has superior access to transportation and freight infrastructure, in-
11 cluding but not limited to rail, port, airport, multimodal freight or trans-
12 shipment facilities and other major transportation facilities or routes; or

13 “(b) Is located in an area designated by Metro, as defined in ORS 197.015,
14 as a regionally significant industrial area.

15 “[6] ‘Rural site’ means a regionally significant industrial site located in
16 an area outside of a metropolitan statistical area, as defined by the most recent
17 federal decennial census.]

18 “[7] ‘Traded sector’ has the meaning given that term in ORS 285A.010.]

19 “[8] ‘Urban site’ means a regionally significant industrial site located in
20 a metropolitan statistical area, as defined by the most recent federal decennial
21 census, that is located inside a regional or metropolitan urban growth bound-
22 ary.]

23 “[9] ‘Wage’ has the meaning given that term pursuant to rules adopted by
24 the Oregon Business Development Department.]”.

25 On page 20, delete lines 6 and 7 and insert:

26 “**SECTION 20.** ORS 285B.059 is amended to read:

27 “285B.059. (1) The Oregon Business Development Commission may approve
28 a business development project proposed in an application filed under ORS
29 285B.050 to 285B.098 if, after investigation, the commission finds that:

30 “(a) The proposed business development project is feasible and a reason-

1 able risk from practical and economic standpoints, and that the loan has
2 reasonable prospect of repayment.

3 “(b) The applicant can provide good and sufficient collateral for the loan.

4 “(c) Moneys in the Oregon Business Development Fund are or will be
5 available for the proposed business development project.

6 “(d) There is a need for the proposed business development project.

7 “(e) The applicant has not received or entered into a contract or contracts
8 exceeding \$1 million with the commission, under authority of ORS 285B.050
9 to 285B.098, for the previous 365 days.

10 “(2)(a) Except as provided in paragraph (b) of this subsection, the total
11 amount of moneys loaned from the fund for a business development project
12 may not exceed 50 percent of the cost of the project.

13 “(b) The total amount of moneys loaned from the fund for a business de-
14 velopment project may exceed 50 percent of the cost of the project if two or
15 more lenders have denied requests from the applicant to commit to partic-
16 ipate in the financing of the project and the applicant has no other available
17 financing.

18 “(3)(a) Except as provided in paragraph (b) of this subsection, moneys may
19 not be loaned from the fund for a business development project unless there
20 exists a commitment from a commercial or private lender, or a local devel-
21 opment group, to participate in the financing of the project.

22 “(b) Moneys may be loaned from the fund for a business development
23 project without a commitment from a commercial or private lender, or a lo-
24 cal development group, to participate in the financing of the project if:

25 “(A) The applicant is a county or municipality;

26 “(B) There are payments other than the scheduled principal and interest
27 payments; or

28 “(C) Two or more lenders have denied requests from the applicant to
29 commit to participate in the financing of the project and the applicant has
30 no other available financing.

1 “(4) To encourage private sector and local development group partic-
2 ipation in the financing of business development projects, the commission
3 may subordinate the security position of the fund to that of other lenders.

4 “(5) In each fiscal year of a biennium, 15 percent of all moneys available
5 for lending from the fund is reserved for loans to emerging small business
6 enterprises as defined by the Oregon Business Development Department by
7 rule, which are located in or draw their workforces from within rural or
8 distressed areas as determined by the Oregon Business Development Depart-
9 ment in cooperation with the Employment Department of this state. If the
10 Oregon Business Development Department was unable to obtain a sufficient
11 number of approvable applications to meet the requirements of this sub-
12 section in the previous fiscal year, it may, in the current fiscal year and
13 notwithstanding the limitations imposed by ORS 285B.050 (2), make loans, in
14 an amount that does not exceed the 15 percent reserved for the prior fiscal
15 year less the amount of loans made to emerging small business enterprises
16 located in rural or distressed areas during the previous fiscal year, to service
17 and retail businesses operated by small business enterprises that are located
18 in or draw their workforces from within rural or distressed areas as deter-
19 mined by the Oregon Business Development Department in cooperation with
20 the Employment Department of this state. Service and retail businesses op-
21 erated by small business enterprises under this section need not be engaged
22 in traded sector activities. [*As used in this subsection, ‘rural area’ and ‘dis-*
23 *tressed area’ have the meaning given those terms in ORS 285A.010.*]

24 “**SECTION 21.** ORS 285B.410 is amended to read:

25 “285B.410. As used in ORS 285B.410 to 285B.482, unless the context re-
26 quires otherwise:

27 “(1) ‘Airport’ means:

28 “(a) A runway, taxiway, aircraft parking apron, ramp, auto parking area,
29 access road, safety area or runway protection zone;

30 “(b) An airport-related facility, including a hangar, terminal, air traffic

1 control tower or other building;

2 “(c) A signal, navigational aid or traffic control system; or

3 “(d) A fuel tank or other physical airport improvement.

4 “(2)(a) ‘Community development project’ means a project that involves
5 strategic planning, training or other technical assistance as defined by the
6 Oregon Business Development Department by rule, and that is aimed at
7 strengthening the economic development, community development or
8 infrastructure priority setting of a municipality or region.

9 “(b) ‘Community development project’ includes the following activities:

10 “(A) Developing and managing short-term and long-term projects;

11 “(B) Developing priorities for infrastructure projects;

12 “(C) Strategic planning related to furthering economic or community de-
13 velopment; or

14 “(D) Training related to economic or community development, including
15 training to improve leadership skills, technical skills or analytical skills,
16 particularly in rural and distressed areas.

17 “(c) ‘Community development project’ includes projects that may encom-
18 pass a municipality or any part of a municipality and may be undertaken in
19 cooperation with another municipality.

20 “(3) ‘Development project’ means a project for the acquisition, improve-
21 ment, construction, demolition, or redevelopment of municipally owned util-
22 ities, buildings, land, transportation facilities or other facilities that assist
23 the economic and community development of the municipality, including
24 planning project activities that are necessary or useful as determined by the
25 Oregon Infrastructure Finance Authority.

26 “(4) ‘Direct project management costs’ means expenses directly related to
27 a project that are incurred by a municipality solely to support or manage a
28 project eligible for assistance under ORS 285B.410 to 285B.482. ‘Direct
29 project management costs’ does not include routine or ongoing expenses of
30 the municipality.

1 “(5) ‘Emergency project’ means a development project resulting from an
2 emergency as defined in ORS 401.025, to which federal disaster relief has
3 been committed.

4 “(6) ‘Energy system’ means a facility necessary for the distribution,
5 transmission or generation of energy, including but not limited to facilities
6 powered by wind, solar energy or biofuel and facilities for the collection,
7 storage, transmission or distribution of a fuel, including natural gas,
8 methane or hydrogen.

9 “(7) ‘Levee project’ means a community development project, development
10 project, planning project or other project that is associated with levee in-
11 spection, accreditation, certification or repair.

12 “(8) ‘Marine facility’ means:

13 “(a) A wharf, dock, freight handling or passenger facility;

14 “(b) A navigation channel or structure, including a project funded under
15 ORS 777.267; or

16 “(c) Any other physical marine facility improvement.

17 “(9) ‘Municipality’ means an Oregon city or county, the Port of Portland
18 created by ORS 778.010, a county service district organized under ORS
19 chapter 451, a district as defined in ORS 198.010, a drainage district organ-
20 ized under ORS chapter 547, a tribal council of a federally recognized Indian
21 tribe in this state or an airport district organized under ORS chapter 838.

22 “(10) ‘Planning project’ means:

23 “(a) A project related to a potential development project for preliminary,
24 final or construction engineering;

25 “(b) A survey, site investigation or environmental action;

26 “(c) A financial, technical or other feasibility report, study or plan; or

27 “(d) An activity that the authority determines to be necessary or useful
28 in planning for a potential development project.

29 “(11) ‘Project’ means a development, community development, planning,
30 levee or emergency project.

1 “(12) ‘Railroad’ means:
2 “(a) A main line, siding, yard, connecting or auxiliary track, right of way
3 or easement;
4 “(b) An industrial spur or related facility, including a depot, shop, main-
5 tenance building or other building;
6 “(c) A signal or traffic control system;
7 “(d) A bridge or tunnel;
8 “(e) A dock, pit, conveyor, bin, crane, piping system, tank or pavement for
9 unloading, loading or transfer of freight, trailers or containers; or
10 “(f) Any other physical railroad improvement.
11 “(13) ‘Road’ means a street, highway or thruway or a road-related struc-
12 ture that provides for continuity of a right of way, including a bridge, tun-
13 nel, culvert or similar structure or other physical road-related improvement.
14 “[~~(14)~~ ‘Rural area’ has the meaning given that term in ORS 285A.010.]
15 “[~~(15)~~] (14) ‘Solid waste disposal site’ has the meaning given the term
16 ‘disposal site’ in ORS 459.005.
17 “[~~(16)~~] (15) ‘Telecommunications system’ means equipment or a facility for
18 the electronic transmission of voice, data, text, image or video.
19 “[~~(17)~~] (16) ‘Transportation’ means a system for movement of freight or
20 passengers.
21 “[~~(18)~~] (17) ‘Utilities’ means a solid waste disposal site or a water, sewage,
22 storm water drainage, energy or telecommunications system.
23 **“SECTION 22. ORS 285B.600 to ORS 285B.620 are added to and made**
24 **a part of ORS chapter 285B.**
25 **“SECTION 23. ORS 285B.625 to ORS 285B.632 are added to and made**
26 **a part of ORS chapter 285B.**
27 **“SECTION 24. This 2019 Act takes effect on the 91st day after the**
28 **date on which the 2019 regular session of the Eightieth Legislative**
29 **Assembly adjourns sine die.”.**

30