

House Bill 2663

Sponsored by Representative NERON, Senator WOODS (at the request of City of Wilsonville) (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**.

Extends sunset of Oregon Industrial Site Readiness Program. Appropriates moneys for deposit in Oregon Industrial Site Readiness Program Fund.
Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to industrial site readiness; creating new provisions; amending ORS 285B.627; and declaring
3 an emergency.

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

5 **SECTION 1.** ORS 285B.627 is amended to read:

6 285B.627. (1) In consultation with the Department of Revenue, the Oregon Business Development
7 Department shall establish and administer the Oregon Industrial Site Readiness Program. The pur-
8 pose of the program is to:

9 (a) Enter into tax reimbursement arrangements with qualified project sponsors pursuant to
10 subsection (5) of this section; or

11 (b) Provide loans, including forgivable loans, to qualified project sponsors pursuant to subsection
12 (5) of this section.

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

16 (b) A regionally significant industrial site designated under this section must be an industrial
17 site that is planned and zoned for industrial use.

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

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

22 (5) Upon qualification of a project sponsor under this section, and before July 1, [2023] **2033**, the
23 department may:

24 (a) Enter into a tax reimbursement arrangement with the project sponsor pursuant to which the
25 project sponsor shall receive an amount equal to 50 percent of the estimated incremental income tax
26 revenues generated by an eligible employer per tax year, beginning with the first tax year following
27 the tax year in which a project sponsor is qualified under this section, until the total investment
28 of the qualified project sponsor in the eligible site preparation costs, including interest, established
29 under subsection (7) of this section has been recovered, at which time the tax reimbursement ar-
30 rangement shall end; or

31 (b) Enter into a loan agreement with the project sponsor under terms and conditions specified

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.

1 and required by the department. In making a determination to enter into a loan agreement with the
2 project sponsor, the department shall consider the reasonableness of the project sponsor's estimated
3 costs to prepare the site for industrial use, including but not limited to eligible site preparation
4 costs established by the department pursuant to subsection (7) of this section. The agreement may
5 specify that a portion of the loan may be forgiven if the project sponsor enters into a contract with
6 an eligible employer to conduct a business in the traded sector industry on a regionally significant
7 industrial site within seven years after the project sponsor was qualified under this section.

8 (6)(a) The total amount of the loan that may be forgiven under subsection (5) of this section is
9 the lesser of:

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

11 (B) Fifty percent of the amount of the estimated incremental income tax revenues for the eligible
12 employer for the term of the loan.

13 (b) Loan forgiveness may not be allowed under subsection (5) of this section if any portion of
14 the loan that would not be forgiven would be repaid by the project sponsor with state funds received
15 from any source.

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

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

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

21 (c) Water and sewer infrastructure.

22 (d) Natural resource mitigation.

23 (e) Site grading activities.

24 (f) Environmental remediation and mitigation activities to address brownfields issues in accord-
25 ance with state and federally approved remediation plans.

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

28 (h) Interest-carrying costs incurred by a project sponsor for amounts borrowed to develop a re-
29 gionally significant industrial site, not to exceed 20 percent of the total amount forgiven, if any,
30 under subsection (5) of this section.

31 (8) The total amount of tax reimbursement arrangements and loan amounts authorized under this
32 section may not exceed \$10 million per year.

33 (9) Funds received pursuant to a tax reimbursement arrangement or a loan agreement under
34 subsection (5) of this section may not be used for the payment of:

35 (a) A penalty or fine; or

36 (b) Environmental remediation activities conducted at a regionally significant industrial site that
37 is listed or proposed to be listed as a national priority pursuant to the Comprehensive Environ-
38 mental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9605) for which the project
39 sponsor, eligible employer or any party to the tax reimbursement arrangement or loan agreement
40 is liable under 42 U.S.C. 9607 at that regionally significant industrial site.

41 (10) The department shall adopt rules to administer and implement the provisions of this section.

42 **SECTION 2. There is appropriated to the Oregon Business Development Department, for**
43 **the biennium beginning July 1, 2023, out of the General Fund, the amount of \$50,000,000 for**
44 **deposit in the Oregon Industrial Site Readiness Program Fund established under ORS**
45 **285B.632. The moneys may be used for any purpose for which moneys in the fund may be**

1 used.

2 **SECTION 3. This 2023 Act being necessary for the immediate preservation of the public**
3 **peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect**
4 **on its passage.**

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