

**B-Engrossed**  
**House Bill 2053**

Ordered by the House June 13  
Including House Amendments dated April 11 and June 13

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Kate Brown for Oregon Business Development Department)

**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.

*[Modifies provisions related to employment and employee compensation for Oregon Business Retention and Expansion Program, enterprise zones, long term incentives for rural enterprise zones and business development income tax exemption.]*

**Adjusts location of employees and deadline for employment requirements under local property tax benefit program for certain industrial improvements newly constructed or installed in rural area.**

Takes effect on 91st day following adjournment sine die.

**A BILL FOR AN ACT**

1  
2 Relating to economic development; amending section 5, chapter 112, Oregon Laws 2016; and pre-  
3 scribing an effective date.

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

5 **SECTION 1.** Section 5, chapter 112, Oregon Laws 2016, is amended to read:

6 **Sec. 5.** (1) As used in this section:

7 (a) "Annual average employment of the applicant" means the average employment of the appli-  
8 cant, calculated over the 12 months preceding the date of the application submitted under section  
9 **2, chapter 112, Oregon Laws 2016** *[of this 2016 Act]*.

10 (b) "Employment of the applicant" means the number of employees working for the applicant a  
11 majority of their time in eligible operations *[at locations in this state]* **at a location for which the**  
12 **applicant has submitted an application under section 2, chapter 112, Oregon Laws 2016.**

13 (c) "First-source hiring agreement" means an agreement between an applicant and a publicly  
14 funded job training provider whereby the provider refers qualified candidates to the firm for new  
15 jobs and job openings in the firm.

16 (2) An application for exemption may not be approved under section 2, **chapter 112, Oregon**  
17 **Laws 2016**, *[of this 2016 Act]* unless the applicant and the governing body of the city or county have  
18 agreed to, and the applicant has complied with, the conditions of this section.

19 (3) The applicant must agree to enter into a first-source hiring agreement with the governing  
20 body of the city or county for the period of the exemption.

21 (4) *[No later than the date on which the application is submitted]* **As of a date certain agreed**  
22 **upon by the applicant and the governing body of the city or county, as applicable, but in no**  
23 **event later than the end of the first property tax year for which the exemption is granted,**  
24 the employment of the applicant may not be less than the greater of:

25 (a) 110 percent of the annual average employment of the applicant; or

**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 (b) The annual average employment of the applicant plus one employee.

2 (5)(a) The applicant or another firm under common control may not close or permanently curtail  
3 operations in another part of the state that is more than 30 miles from the eligible location. This  
4 subsection applies to the transfer of any of the applicant's operations to an eligible location from  
5 another part of the state, if the closure or permanent curtailment in the other part of the state de-  
6 creased the applicant's employment in the other part of the state.

7 (b) The applicant or another firm under common control may not close or permanently curtail  
8 operations in another part of the state that is 30 miles or less from the eligible location unless the  
9 employment of the applicant at the eligible location and at the other locations from which employees  
10 were transferred has been increased to not less than 110 percent of the annual average employment  
11 of the firm at the eligible location and the other locations from which the employees were trans-  
12 ferred.

13 (6) The governing body of the city or county may establish other reasonable conditions related  
14 to economic development with respect to the qualified property, including greater employment re-  
15 quirements under this section.

16 (7) The conditions established under this subsection may be modified at the request of the ap-  
17 plicant at any time before the beginning of the first property tax year for which the exemption is  
18 granted.

19 (8) The governing body of the city or county shall establish procedures for monitoring and ver-  
20 ifying the compliance of the applicant with the conditions imposed under this section and shall re-  
21 quire the applicant to agree to the procedures as a condition for granting the exemption.

22 (9) The conditions established under this subsection shall be set forth in the resolution adopted  
23 under section 2 (4), **chapter 112, Oregon Laws 2016**, [*of this 2016 Act*] and shall remain in effect  
24 throughout the period for which the exemption is granted.

25 **SECTION 2. This 2019 Act takes effect on the 91st day after the date on which the 2019**  
26 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

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