

Enrolled House Bill 2011

Sponsored by COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT (at the request of
Speaker of the House Karen Minnis)

CHAPTER

AN ACT

Relating to economic development; creating new provisions; amending ORS 215.427, 227.178, 285A.050, 285A.090, 285A.095, 285A.136, 285B.283, 285B.286 and 285B.455; appropriating money; and declaring an emergency.

Whereas over half of Oregon’s counties are currently listed as economically distressed; and

Whereas Oregon currently has the highest unemployment rate of any state; and

Whereas the retention of existing jobs and the creation of new jobs by existing businesses, as well as recruitment of new employment opportunities to Oregon, are necessary for economic prosperity; and

Whereas economic stimulus measures for reinvigorating and reversing the recent downturn in Oregon’s economy should be put forward during the Seventy-second Legislative Assembly without regard to political party affiliations in a collaborative manner; and

Whereas economic health and viability depends on Oregon’s ability to improve the state’s working environment and appeal to the investment community for investments in Oregon; and

Whereas it is important for Oregon to be competitive with other states; and

Whereas most Oregon businesses are small businesses, employing fewer than 25 employees; and

Whereas public-private partnerships must be utilized to create jobs and retain Oregon companies; and

Whereas a healthy infrastructure, including the utilization of Oregon’s ports, is critical to economic development in Oregon; and

Whereas innovative ideas are a critical component for the long-term economic viability of the state and a key component to building a sustainable economy; and

Whereas successful economic development requires focusing on the success of industrial, commercial and small businesses; and

Whereas activities that are intended to improve economic development should be managed under a statewide framework while maximizing local input and direction; now, therefore,

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

SECTION 1. The Oregon Economic and Community Development Commission shall develop a mission statement for the Economic and Community Development Department that gives the highest priority to promoting job development in Oregon by:

- (1) Assisting existing companies that desire to expand;**
- (2) Assisting existing companies that desire to develop new products;**
- (3) Promoting the commercialization of technology developed at colleges and universities in Oregon;**

- (4) Recruiting businesses in targeted industries to locate in Oregon;
- (5) Providing assistance to communities for local economic development efforts; and
- (6) Developing infrastructure for communities that supports local economic development efforts.

SECTION 2. The Oregon Economic and Community Development Commission shall recommend legislation to the Seventy-third Legislative Assembly to modify ORS 285A.090 to reflect the priorities established under section 1 of this 2003 Act.

SECTION 3. (1) There is established the Governor's Council on Oregon's Economy.

(2) The members of the council are:

- (a) The presiding officer of the Oregon Economic and Community Development Commission;
- (b) The chairperson of the Oregon Transportation Commission;
- (c) The chairperson of the State Board of Agriculture;
- (d) The chairperson of the International Trade Commission;
- (e) The chairperson of the Oregon Council for Knowledge and Economic Development;
- (f) The president of the State Board of Higher Education; and
- (g) Other persons designated by the Governor.

(3) The council shall meet quarterly to:

(a) Discuss and coordinate the activities of each entity described in subsection (2) of this section that relate to economic development and improving the economy in Oregon; and

(b) Discuss and recommend to the Legislative Assembly methods for creating certainty for the development process.

SECTION 4. (1) In consultation with local governments, the Oregon Economic and Community Development Commission shall establish regions for the purpose of job development and community assistance. When establishing the regions, the commission must consider the optimal size for each region that will most effectively facilitate economic development activities in the region. Regions established by the commission do not have to be of the same size or population.

(2) The Director of the Economic and Community Development Department shall provide for economic innovation coordination in the central office, which shall assist the field representatives in:

(a) Establishing contacts between local businesses and universities and community colleges in Oregon to promote the use of the research capacities of these institutions for development of new products; and

(b) Serving as a liaison between the clients of the Economic and Community Development Department and the Oregon Council for Knowledge and Economic Development to promote effective linkage between regional economic development efforts and technological advances in Oregon.

SECTION 5. The Legislative Assembly declares that a significant purpose of the strategic investment program established in ORS 285B.383, 285B.386 and 307.123 is to improve employment in areas where eligible projects are to be located and urges business firms that will benefit from an eligible project to hire employees from the region in which the eligible project is to be located whenever practicable.

SECTION 6. ORS 285A.050 is amended to read:

285A.050. (1) The Oregon Economic and Community Development Commission shall report [*biennially*] **annually** to the Governor and the Legislative Assembly on the success of economic development efforts. The report, at a minimum, shall include the following:

(a) For the overall Economic and Community Development Department effort and for each identifiable program and significant project or service:

(A) The impact of that program on the competitiveness of traded sector industries and the skill levels of the Oregon workforce;

(B) The impact on the number of jobs, including jobs created and retained;

- (C) The impact on the wage levels of Oregon workers, including increases in wage levels;
- (D) The actual or anticipated impact of public investments at all levels, in terms of measurable outcomes wherever possible; and
- (E) The impact of that program on the Internet-based entities and employees in Oregon.
- (b) The status of the Oregon economy related to:
 - (A) Changes in employment and wage levels in Oregon industries;
 - (B) Changes in employment, wage levels and competitiveness of traded sector industries; and
 - (C) Barriers that have been identified as impeding business competitiveness and productivity in this state.
- (c) Progress made toward achievement of the Oregon Benchmarks.
- (d) Recommendations for removing identified barriers and additional suggestions for improving the performance of Oregon's economy.
- (e) Recommendations on this state's investment in its public ports, on this state's response to policy issues that affect ports and for the strategic development of port facilities that promote maritime commerce, recreational opportunities and the economy of Oregon.
- (f) Progress made toward elimination of economically distressed areas of this state.
- (g) Recommendations regarding improving the international competitiveness of Oregon.
- (h) Progress made in serving microenterprise businesses and recommendations for increasing the success of microenterprises.
- (2) Whenever a power is granted to the commission, the power may be exercised by such officers, employees or commission-appointed committees as are designated in writing by the commission.
- (3) Reports to the Legislative Assembly required under this section shall be made in accordance with ORS 192.245.**

SECTION 7. ORS 285A.090 is amended to read:

285A.090. The Economic and Community Development Department shall:

- (1) Implement programs consistent with policies of the Oregon Economic and Community Development Commission.
- (2) Provide field representatives in the various geographical regions of the state. The field representatives shall be in the unclassified service and shall receive such salary as may be set by the Director of the Economic and Community Development Department, unless otherwise provided by law. The field representatives shall:
 - (a) Serve as internal advocates and centralized contacts within state government for businesses seeking to locate or expand in the region and shall guide the businesses through all required processes with state regulatory agencies and local units of government to facilitate and expedite siting or expansion of the businesses within the businesses' budgets and in an economically viable manner;**
 - (b) Seek assistance and direction from the Governor or a designee of the Governor for resolving issues that have delayed a project in order to ensure that governmental decisions and actions on projects are made in a timely and reasonable manner;**
 - [(a)] (c) Work with local units of government and the private sector [to encourage and to assist them] as they establish and carry out economic development plans and programs under ORS 280.500;*
 - [(b) Promote local awareness of department policy and department programs and services and of assistance and economic incentives available from government at all levels; and]*
 - (d) Establish links with and act as liaisons between businesses seeking to locate or expand in the region and resources within the public and private institutions of higher education in Oregon familiar with technological advancements and grant opportunities;**
 - (e) Serve as liaisons between businesses seeking to locate or expand in the region and appropriate governmental, university, community college and industry representatives to assist and partner with the businesses in their developmental efforts;**
 - (f) Assemble regional rapid response teams that include regional departmental staff and representatives of local governments in the region to work with businesses seeking to locate**

or expand in the region by facilitating developmental procedures and eliminating obstacles to completion of projects;

(g) Assign specific responsibilities for and monitor progress of rapid response team members toward completion of tasks essential to the achievement of a successful outcome of a project for all parties involved;

(h) Coordinate meetings between businesses seeking to locate or expand in the region and the members of rapid response teams to establish and monitor the adherence to developmental timelines and to ensure satisfaction with services provided;

[(c)] (i) Deliver to local units of government and the private sector the assistance and services available from the department, including publications, research and technical and financial assistance programs[.]; and

(j) Promote local awareness of department policy and department programs and services and of assistance and economic incentives available from government at all levels.

(3) Process requests received by state agencies and interested parties for information pertaining to industrial and commercial locations and relocations throughout the state.

(4) Consult and advise with, coordinate activities of, and give technical assistance and encouragement to, state and local organizations, including local development corporations, county, city, and metropolitan-area committees, chambers of commerce, labor organizations and similar agencies interested in obtaining new industrial plants or commercial enterprises.

(5) Act as the state's official liaison agency between persons interested in locating industrial or business firms in the state, and state and local groups seeking new industry or business, maintaining the confidential nature of the negotiations it conducts as requested by persons contemplating location in the state.

(6) Coordinate state and federal economic development programs.

(7) Consult and advise with, coordinate activities of, and give technical assistance and encouragement to all parties including, but not limited to, port districts within the state working in the field of international trade or interested in promoting their own trading activity.

(8) Provide advice and technical assistance to Oregon business and labor.

(9) Collect and disseminate information regarding the advantages of developing new business and expanding existing business in the state.

(10) Aid local communities in planning for and obtaining new business to locate therein and provide assistance in local applications for federal development grants.

(11) Work actively to recruit domestic and international business firms to those communities that desire such recruitment.

(12) In carrying out its duties under ORS chapters 285A and 285B and ORS 329.905 to 329.975, give priority to assisting small businesses in this state by encouraging the creation of new businesses, the expansion of existing businesses and the retention of economically distressed businesses which are economically viable.

(13) Establish and operate foreign trade offices in those foreign countries in which the department considers a foreign trade office necessary using department employees, contracts with public or private persons or a combination of department employees and contractors. Department employees, including managers, who are assigned to work in a foreign trade office shall be in the unclassified service, and the director shall set the salaries of those persons. Foreign trade offices shall provide one or more of the following services:

(a) Work with the private sector to assist them in finding international markets for their goods and services;

(b) Work with local units of government to assist them in locating foreign businesses within their jurisdiction;

(c) Promote awareness in foreign countries of department policy, programs and services and of assistance and economic incentives available from government at all levels; or

(d) Provide other assistance considered necessary by the director.

SECTION 8. ORS 285A.095 is amended to read:

285A.095. (1) When providing funding for a project, for a program or for technical assistance, the Economic and Community Development Department shall give priority to counties, cities, communities or other geographic areas that are designated as distressed areas by the Economic and Community Development Department, based on indicators of economic distress or dislocation, including but not limited to unemployment, poverty and job loss.

(2) Prior to defining or designating distressed areas for the purposes of subsection (1) of this section, the Economic and Community Development Department shall consult with other state agencies and with local agencies and officials.

(3) The Economic and Community Development Department shall conduct a review of its compliance with subsections (1) and (2) of this section at least once in each year and shall prepare a report concerning the compliance review. The report shall be incorporated into the [*biennial*] **annual** report of the Oregon Economic and Community Development Commission required by ORS 285A.050.

SECTION 9. ORS 285A.136 is amended to read:

285A.136. The International Trade Commission shall prepare and submit to the Governor and to the Legislative Assembly a biennial report on January 15, 1999, and on January 15 of every other year thereafter. The report shall be incorporated into the [*biennial*] **annual** report of the Oregon Economic and Community Development Commission required by ORS 285A.050. The report required by this section shall include, but not be limited to, the following:

(1) A description of the activities of the International Trade Commission during the two-year reporting period.

(2) Information and data on relevant trade patterns and trends.

(3) Recommendations, including long-range strategic plans and legislative proposals.

(4) An action agenda for the subsequent two years.

SECTION 10. The Legislative Assembly finds that:

(1) **There is a need for a statewide inventory of sites that are planned and zoned for industrial or traded sector uses and are ready for development;**

(2) **There is a need to improve coordination among local, regional and state agencies with respect to economic development programs, planning and policy; and**

(3) **There is a need for additional methodologies and guidance to assist local governments in economic development planning.**

SECTION 11. As used in sections 10 to 21 of this 2003 Act, unless the context requires otherwise, “traded sector” has the meaning given that term in ORS 285A.010.

SECTION 12. (1) The Economic Revitalization Team established pursuant to section 13 of this 2003 Act, in conjunction with the Economic and Community Development Department, shall work with local governments, as defined in ORS 174.116, and affected state agencies to identify and prioritize up to 25 sites to be used for industrial or traded sector uses.

(2) The team, and the department, shall identify sites that are consistent with data collected by the department from businesses seeking to locate or expand in Oregon and shall prioritize sites that are:

(a) **Of sufficient size to meet industrial or traded sector needs, as expressed in inquiries received by the department from businesses seeking to locate or expand in Oregon;**

(b) **Owned and held in a manner that facilitates efficient industrial or traded sector development;**

(c) **Within the jurisdiction of a local government that shows a willingness to cooperate in siting new development;**

(d) **Served by necessary public facilities and infrastructure, including transportation facilities, or such facilities and infrastructure can be provided within a reasonable period of time;**

(e) **Subject to few, if any, environmental constraints, or constraints that can be mitigated within a reasonable period of time; and**

(f) Zoned in a manner that allows the desired industrial or traded sector development, or can be zoned in that manner within a reasonable period of time.

(3) At least one of the 25 sites must be in eastern Oregon, as defined in ORS 321.405. Preference must be given to a site that:

(a) Is contiguous to a city's urban growth boundary on the effective date of this 2003 Act;

(b) Contains at least 100 acres;

(c) Is not composed predominantly of agricultural soils in soil classes I, II, III or IV or a combination of those soil classes;

(d) Is not in farm use, as defined in ORS 215.203, on the date of the first public hearing for the proposal to amend the urban growth boundary;

(e) Is served by adequate transportation, sewer and water facilities or is located where adequate services can be made available within 12 months after the date the site is to be added to the urban growth boundary; and

(f) Is planned and zoned only for industrial or traded sector development, and ancillary uses necessary for the development.

(4) To assist the team, and the department, in identifying and prioritizing sites under this section, the Director of the Economic and Community Development Department shall convene an advisory committee consisting of eight members, including a county representative and a city representative, who are knowledgeable about the need for and requirements of industrial and traded sector development and the availability of land for industrial or traded sector development within the state.

(5) The team, and the department, shall identify and prioritize sites under this section not later than December 15, 2003.

SECTION 13. (1) The Governor shall establish the Economic Revitalization Team in the office of the Governor for the purpose of coordinating and streamlining state policies, programs and procedures and providing coordinated state agency assistance to local governments.

(2) The team shall establish a regulatory efficiency group to assist the team consisting of the directors of the following state agencies:

- (a) The Department of Environmental Quality;
- (b) The Economic and Community Development Department;
- (c) The Department of Transportation;
- (d) The Division of State Lands;
- (e) The Department of Land Conservation and Development;
- (f) The State Department of Agriculture;
- (g) The Housing and Community Services Department; and
- (h) Other appropriate agencies as determined by the Governor.

(3) Subject to the direction of the Governor, the team shall:

- (a) Develop mechanisms to increase coordination among agencies on common activities;
- (b) Coordinate the activities of state agencies on specific state and local projects;
- (c) Coordinate the planning and permitting activities of state agencies for the sites identified for industrial or traded sector development under section 12 of this 2003 Act;

(d) Coordinate activities of the regulatory efficiency group agencies with local governments;

(e) Coordinate the grant and loan activities of state agencies to implement section 12 of this 2003 Act;

(f) Participate in the rulemaking activities of regulatory efficiency group agencies to coordinate economic development activities;

(g) Prepare a report for the Seventy-second Legislative Assembly on the sites identified for industrial or traded sector development under section 12 of this 2003 Act, including a description of each site and the economic benefit expected from site development. If fewer

than 25 sites are identified, the report must include an analysis of why the target set forth in section 12 of this 2003 Act was not achieved;

(h) Prepare a report for the Seventy-second Legislative Assembly with specific recommendations regarding the future of the team; and

(i) Undertake other activities as directed by the Governor.

(4) The team shall establish an advisory committee of individuals familiar with agency permit procedures to advise the Governor and the regulatory efficiency group agencies on permit issues related to economic development.

(5) The team shall submit a report detailing its activities to the Legislative Assembly in the manner described in ORS 192.245 not later than January 31 of each odd-numbered year. The report must include:

(a) Case studies that demonstrate the types of problems encountered in coordinating agency functions;

(b) Case studies that demonstrate statutory impediments to efficient economic development; and

(c) Recommendations for legislative measures to improve agency operations and state-wide economic development.

(6) The team or a state agency working with the team to implement sections 10 to 21 of this 2003 Act or a state agency implementing sections 25 to 29 of this 2003 Act may:

(a) Accept and expend funds received from gifts, grants or other sources as necessary to perform activities authorized under sections 10 to 21 or 25 to 29 of this 2003 Act.

(b) Enter into contracts and other agreements as necessary to perform activities authorized under sections 10 to 21 or 25 to 29 of this 2003 Act.

SECTION 14. The Economic Revitalization Team established pursuant to section 13 of this 2003 Act, acting through the regulatory efficiency group agencies, shall:

(1) Give priority to expediting permits or other actions necessary for development projects proposed for a site identified for industrial or traded sector development under section 12 of this 2003 Act; and

(2) Take actions that are necessary to facilitate the implementation of the state economic development strategy developed under section 25 of this 2003 Act.

SECTION 15. (1) The Division of State Lands shall develop and implement an expedited process for identifying and mitigating loss of wetlands or other waters of the state on sites identified for industrial or traded sector development under section 12 of this 2003 Act.

(2) The division shall adopt administrative rules to implement the expedited process required under this section not later than six months after the effective date of this 2003 Act.

SECTION 16. The Department of Environmental Quality may request federal grant moneys to assist in assessment and remediation of contamination on a site identified for industrial or traded sector development under section 12 of this 2003 Act.

SECTION 17. The Land Conservation and Development Commission shall:

(1) In conjunction with the Economic Revitalization Team, establish a committee to study and report to the Governor on the conversion of industrial land to nonindustrial land.

(2) Adopt administrative rules to ensure that final action is taken not later than 180 days after submission of amendments to a comprehensive plan and land use regulations or submission of a new land use regulation when the changes are necessary to expedite and facilitate industrial or traded sector development of a site identified under section 12 of this 2003 Act, including rules establishing time limits for interested parties or the Department of Land Conservation and Development to take exception to the amendments or the new land use regulation and time limits for scheduling a hearing if one is required.

(3) Adopt, amend or repeal administrative rules as necessary to expedite and facilitate industrial or traded sector development of a site identified under section 12 of this 2003 Act.

SECTION 18. The Oregon Transportation Commission shall identify an amount, to be drawn from an account established by the commission for immediate transportation oppor-

tunities or from any other fund as determined by the commission, that the commission determines is necessary to resolve transportation constraints on a site identified for industrial or traded sector development under section 12 of this 2003 Act.

SECTION 19. Under the direction of the Economic Revitalization Team established pursuant to section 13 of this 2003 Act, the following state agencies shall provide staff and resources as necessary to implement the industrial or traded sector site identification and prioritization described in section 12 of this 2003 Act:

- (1) The Economic and Community Development Department;
- (2) The Department of Land Conservation and Development;
- (3) The Department of Transportation;
- (4) The Department of Environmental Quality; and
- (5) The Division of State Lands.

SECTION 20. (1) With regard to compliance with ORS 196.800 to 196.900, the Director of the Division of State Lands may:

(a) Provide technical assistance to property owners, state agencies and local governments, as defined in ORS 174.116, regarding sites identified for industrial or traded sector development under section 12 of this 2003 Act; and

(b) Provide technical assistance for transportation facilities related to industrial or traded sector development of a site identified under section 12 of this 2003 Act.

(2) Technical assistance provided under this section may include guiding, reviewing and approving the sufficiency of the required elements of an application for a removal or fill permit under ORS 196.825, including but not limited to a site plan, jurisdictional determination, an alternatives analysis and a mitigation plan.

SECTION 21. The Economic and Community Development Department, in coordination with the Economic Revitalization Team established pursuant to section 13 of this 2003 Act, shall develop and administer a process for certifying sites throughout the state that are ready for industrial or traded sector development.

SECTION 22. ORS 285B.283 is amended to read:

285B.283. [(1)] The Legislative Assembly declares that it is the policy of the State of Oregon[.];

(1) Working with private firms, industry associations and others, to encourage cooperative sector-based strategies to promote industrial competitiveness.

(2) [*The Legislative Assembly declares that it is also the policy of this state*] That programs to develop particular sectors of this state's economy, to the maximum extent feasible, include firms of all sizes. To promote that policy, the Economic and Community Development Department shall undertake [*such*] efforts as are necessary to [*assure*] **ensure** representative participation by small firms under ORS 285B.280 to 285B.286.

(3) [*The Legislative Assembly further declares that it is the policy of this state*] To emphasize industry development in those sectors of the economy in which Oregon firms face national and international competition.

(4) To provide an adequate supply of industrial and traded sector sites that are available for immediate development.

SECTION 23. ORS 285B.286 is amended to read:

285B.286. For traded sector industries, the Economic and Community Development Department shall undertake industry development activities [*which*] **that** may include, but are not limited to, all of the following:

(1) Focus groups and other meetings and related studies to identify traded sector industry members and issues of common concern within an industry.

(2) State technical and financial support for formation of industry associations, publication of association directories and related efforts to create or expand the activities of industry associations.

(3) Helping establish research consortia.

(4) Joint training and education programs and curricula related to the specific needs of traded sector industries.

- (5) Cooperative market development activities.
- (6) Analysis of the need, feasibility and cost for establishing product certification and testing facilities and services.
- (7) State technical and financial support to facilitate certification of sites as ready for development for traded sector industry. The support may include performing site assessments to determine the costs associated with development of individual sites.**

SECTION 24. ORS 285B.455 is amended to read:

285B.455. (1) There is created the Special Public Works Fund, separate and distinct from the General Fund. All moneys credited to the Special Public Works Fund are appropriated continuously and shall be used for the purposes outlined in ORS 285A.075 (9) and 285B.410 to 285B.479. There shall be credited to the Special Public Works Fund, money appropriated to the fund by the Legislative Assembly, earnings on the fund, repayment of financial assistance and bond proceeds as authorized under ORS 285B.410 to 285B.479.

(2) Moneys in the Special Public Works Fund, with the approval of the State Treasurer, may be invested as provided by ORS 293.701 to 293.820 and the earnings from such investments shall be credited to the account in the Special Public Works Fund designated by the Economic and Community Development Department.

(3) The Economic and Community Development Department shall be the agency for the State of Oregon for the administration of the Special Public Works Fund.

(4) The department may establish such other accounts within the Special Public Works Fund for the payment of project costs, reserves, debt service payments, credit enhancement, administration and operation expenses or any other purpose necessary to carry out ORS 285B.410 to 285B.479.

(5) Out of moneys in the Special Public Works Fund, the department may:

(a) Make technical assistance grants and loans to municipalities [*of less than 5,000 residents. A technical assistance grant shall not exceed \$10,000. A technical assistance loan shall not exceed \$20,000. No more than \$400,000 or one percent of the value of the fund, whichever is less, shall be expended on technical assistance grants and loans in any*]. **The department may not expend more than one percent of the value of the Special Public Works Fund for technical assistance grants and loans to municipalities in a biennium.**

(b) Make grants to municipalities to provide local matching funds for the purposes of a project described in ORS 285B.410 (3)(e) in an amount that does not exceed \$2.5 million in any biennium.

SECTION 25. (1) The Governor shall direct the Oregon Economic and Community Development Commission, in consultation with the Economic Revitalization Team established pursuant to section 13 of this 2003 Act and other state agencies as appropriate, to appoint an advisory committee composed of representatives of local governments, ports, local economic development organizations and private industry and other individuals familiar with economic development strategies to assist the commission in developing a state economic development strategy. The commission shall, by administrative rule, adopt and periodically update the strategy. The strategy must focus on:

- (a) Creating, expanding and retaining Oregon businesses;**
- (b) Assisting in the development and growth of competitive industrial sectors;**
- (c) Creating jobs by attracting new businesses to Oregon;**
- (d) Providing economic development tools and resources to Oregon communities;**
- (e) Assisting local communities and regions in developing and maintaining economic development plans that are coordinated with the state economic development strategy;**
- (f) Providing an adequate supply of industrial, commercial and retail sites available for immediate development inside urban growth boundaries;**
- (g) Providing public infrastructure in a timely manner;**
- (h) Resolving constraints on and removing barriers to the timely development of industrial and traded sector sites; and**

(i) Developing recommendations for prioritizing state loans, grants and technical assistance to local governments that meet the objectives of the state economic development strategy.

(2) The commission shall present the state economic development strategy to the Governor and the Seventy-second Legislative Assembly not later than June 30, 2004, including a report on actions taken to implement the strategy.

SECTION 26. In furtherance of the state economic development strategy developed under section 25 of this 2003 Act, the Land Conservation and Development Commission shall:

(1) Provide local governments with basic and advanced methods for identifying, analyzing and providing for industrial, commercial and retail development sites.

(2) Develop and provide guidebooks and other appropriate materials to assist local governments in identifying and analyzing potential industrial, commercial and retail development sites.

(3) Provide local governments with technical assistance to assist in completing the identification and analysis and in amending comprehensive plans and land use regulations based on the identification and analysis.

(4) Provide grants to local governments in a manner that furthers the implementation of the state economic development strategy.

(5) Adopt, amend or repeal administrative rules and procedures as necessary to ensure that the following actions can be accomplished in a timely manner:

(a) Expansion of urban growth boundaries where necessary to accommodate industrial or traded sector development;

(b) Review of amendments to comprehensive plans and land use regulations and periodic review of comprehensive plans and land use regulations; and

(c) Focus the resources of the Department of Land Conservation and Development on issues related to land supply within urban growth boundaries and transportation and public facilities necessary to stimulate economic growth.

SECTION 27. In furtherance of the state economic development strategy developed under section 25 of this 2003 Act, the Department of Transportation shall:

(1) Develop a process to prioritize funding for transportation projects that further the state economic development strategy.

(2) Develop and maintain state transportation policies and a comprehensive long-range plan for a safe, multimodal transportation system that encourages economic efficiency and orderly economic development and that maximizes the use of existing transportation infrastructure.

(3) Take actions that are necessary to ensure that department policies and activities are implemented in a manner that supports the state economic development strategy.

(4) Expedite the processing of permits issued by the department for transportation projects that further the state economic development strategy.

SECTION 28. In furtherance of the state economic development strategy developed under section 25 of this 2003 Act, the Division of State Lands shall:

(1) Consistent with ORS 196.674, focus wetlands inventories on areas described in the state economic development strategy. The division may provide grants and technical assistance to local governments to conduct the inventories.

(2) Develop a site assessment methodology for rapidly determining the capacity of a site for economic development. The methodology shall address site-specific impediments to development and any costs associated with compliance with ORS 196.800 to 196.900.

SECTION 29. Local governments, as defined in ORS 174.116, shall participate in the implementation of the state economic development strategy developed under section 25 of this 2003 Act by demonstrating a willingness to:

(1) Coordinate local economic development plans with the state economic development strategy; and

(2) Expedite amendments to comprehensive plans and land use regulations.

SECTION 30. ORS 215.427 is amended to read:

215.427. (1) Except as provided in subsections (3) and (4) of this section, for land within an urban growth boundary and applications for mineral aggregate extraction, the governing body of a county or its designee shall take final action on an application for a permit, limited land use decision or zone change, including resolution of all appeals under ORS 215.422, within 120 days after the application is deemed complete. The governing body of a county or its designee shall take final action on all other applications for a permit, limited land use decision or zone change, including resolution of all appeals under ORS 215.422, within 150 days after the application is deemed complete, except as provided in subsections (3) and (4) of this section.

(2) If an application for a permit, limited land use decision or zone change is incomplete, the governing body or its designee shall notify the applicant of exactly what information is missing within 30 days of receipt of the application and allow the applicant to submit the missing information. The application shall be deemed complete for the purpose of subsection (1) of this section upon receipt by the governing body or its designee of the missing information. If the applicant refuses to submit the missing information, the application shall be deemed complete for the purpose of subsection (1) of this section on the 31st day after the governing body first received the application.

(3)(a) If the application was complete when first submitted or the applicant submits the requested additional information within 180 days of the date the application was first submitted and the county has a comprehensive plan and land use regulations acknowledged under ORS 197.251, approval or denial of the application shall be based upon the standards and criteria that were applicable at the time the application was first submitted.

(b) If the application is for industrial or traded sector development of a site identified under section 12 of this 2003 Act and proposes an amendment to the comprehensive plan, approval or denial of the application must be based upon the standards and criteria that were applicable at the time the application was first submitted, provided the application complies with paragraph (a) of this subsection.

(4) The period set in subsection (1) of this section may be extended for a reasonable period of time at the request of the applicant.

(5) The period set in subsection (1) of this section applies:

(a) Only to decisions wholly within the authority and control of the governing body of the county; and

(b) Unless the parties have agreed to mediation as described in ORS 197.319 (2)(b).

(6) Notwithstanding subsection (5) of this section, the period set in subsection (1) of this section does not apply to an amendment to an acknowledged comprehensive plan or land use regulation or adoption of a new land use regulation that was forwarded to the Director of the Department of Land Conservation and Development under ORS 197.610 (1).

(7) Except when an applicant requests an extension under subsection (4) of this section, if the governing body of the county or its designee does not take final action on an application for a permit, limited land use decision or zone change within 120 days or 150 days, as applicable, after the application is deemed complete, the county shall refund to the applicant either the unexpended portion of any application fees or deposits previously paid or 50 percent of the total amount of such fees or deposits, whichever is greater. The applicant is not liable for additional governmental fees incurred subsequent to the payment of such fees or deposits. However, the applicant is responsible for the costs of providing sufficient additional information to address relevant issues identified in the consideration of the application.

(8) A county may not compel an applicant to waive the period set in subsection (1) of this section or to waive the provisions of subsection (7) of this section or ORS 215.429 as a condition for taking any action on an application for a permit, limited land use decision or zone change except when such applications are filed concurrently and considered jointly with a plan amendment.

SECTION 31. ORS 227.178 is amended to read:

227.178. (1) Except as provided in subsections (3) and (4) of this section, the governing body of a city or its designee shall take final action on an application for a permit, limited land use decision or zone change, including resolution of all appeals under ORS 227.180, within 120 days after the application is deemed complete.

(2) If an application for a permit, limited land use decision or zone change is incomplete, the governing body or its designee shall notify the applicant of exactly what information is missing within 30 days of receipt of the application and allow the applicant to submit the missing information. The application shall be deemed complete for the purpose of subsection (1) of this section upon receipt by the governing body or its designee of the missing information. If the applicant refuses to submit the missing information, the application shall be deemed complete for the purpose of subsection (1) of this section on the 31st day after the governing body first received the application.

(3)(a) If the application was complete when first submitted or the applicant submits the requested additional information within 180 days of the date the application was first submitted and the city has a comprehensive plan and land use regulations acknowledged under ORS 197.251, approval or denial of the application shall be based upon the standards and criteria that were applicable at the time the application was first submitted.

(b) If the application is for industrial or traded sector development of a site identified under section 12 of this 2003 Act and proposes an amendment to the comprehensive plan, approval or denial of the application must be based upon the standards and criteria that were applicable at the time the application was first submitted, provided the application complies with paragraph (a) of this subsection.

(4) The 120-day period set in subsection (1) of this section may be extended for a reasonable period of time at the request of the applicant.

(5) The 120-day period set in subsection (1) of this section applies:

(a) Only to decisions wholly within the authority and control of the governing body of the city; and

(b) Unless the parties have agreed to mediation as described in ORS 197.319 (2)(b).

(6) Notwithstanding subsection (5) of this section, the 120-day period set in subsection (1) of this section does not apply to an amendment to an acknowledged comprehensive plan or land use regulation or adoption of a new land use regulation that was forwarded to the Director of the Department of Land Conservation and Development under ORS 197.610 (1).

(7) Except when an applicant requests an extension under subsection (4) of this section, if the governing body of the city or its designee does not take final action on an application for a permit, limited land use decision or zone change within 120 days after the application is deemed complete, the city shall refund to the applicant, subject to the provisions of subsection (8) of this section, either the unexpended portion of any application fees or deposits previously paid or 50 percent of the total amount of such fees or deposits, whichever is greater. The applicant is not liable for additional governmental fees incurred subsequent to the payment of such fees or deposits. However, the applicant is responsible for the costs of providing sufficient additional information to address relevant issues identified in the consideration of the application.

(8)(a) To obtain a refund under subsection (7) of this section, the applicant may either:

(A) Submit a written request for payment, either by mail or in person, to the city or its designee; or

(B) Include the amount claimed in a mandamus petition filed under ORS 227.179. The court shall award an amount owed under this section in its final order on the petition.

(b) Within seven calendar days of receiving a request for a refund, the city or its designee shall determine the amount of any refund owed. Payment, or notice that no payment is due, shall be made to the applicant within 30 calendar days of receiving the request. Any amount due and not paid within 30 calendar days of receipt of the request shall be subject to interest charges at the rate of one percent per month, or a portion thereof.

(c) If payment due under paragraph (b) of this subsection is not paid within 120 days after the city or its designee receives the refund request, the applicant may file an action for recovery of the

unpaid refund. In an action brought by a person under this paragraph, the court shall award to a prevailing applicant, in addition to the relief provided in this section, reasonable attorney fees and costs at trial and on appeal. If the city or its designee prevails, the court shall award reasonable attorney fees and costs at trial and on appeal if the court finds the petition to be frivolous.

(9) A city may not compel an applicant to waive the 120-day period set in subsection (1) of this section or to waive the provisions of subsection (7) of this section or ORS 227.179 as a condition for taking any action on an application for a permit, limited land use decision or zone change except when such applications are filed concurrently and considered jointly with a plan amendment.

SECTION 32. (1) Notwithstanding the requirement in ORS 285B.455 that interest earnings on moneys in the Special Public Works Fund are credited to the fund and notwithstanding any other requirement in ORS 285A.075 (9) or 285B.410 to 285B.479 for the expenditure of moneys in the Special Public Works Fund, the Economic and Community Development Department shall transfer the interest earnings accrued in the fund and available on the effective date of this 2003 Act to the office of the Governor for the payment of expenses incurred in the biennium beginning July 1, 2003, to implement sections 10 to 21 and 25 to 29 of this 2003 Act.

(2) The department shall make the one-time transfer of interest earnings provided for in this section within 30 days after the effective date of this 2003 Act.

(3) The amount of the transfer may not exceed \$360,000.

SECTION 33. In addition to and not in lieu of any other appropriation, there is appropriated to the Department of Land Conservation and Development, for the biennium beginning July 1, 2003, out of the General Fund, the amount of \$960,285, which may be expended for the purpose of taking action under sections 10 to 21 or 25 to 29 of this 2003 Act.

SECTION 34. In addition to and not in lieu of any other appropriation, there is appropriated to the Division of State Lands, for the biennium beginning July 1, 2003, out of the General Fund, the amount of \$110,000, which may be expended for the purpose of taking action under sections 10 to 21 or 25 to 29 of this 2003 Act.

SECTION 35. This 2003 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2003 Act takes effect on its passage.

Passed by House May 19, 2003

Repassed by House August 23, 2003

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Chief Clerk of House

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Speaker of House

Passed by Senate August 22, 2003

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President of Senate

Received by Governor:

.....M,....., 2003

Approved:

.....M,....., 2003

.....
Governor

Filed in Office of Secretary of State:

.....M,....., 2003

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Secretary of State