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NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 123
OREGON BUSINESS DEVELOPMENT DEPARTMENT

FILED
01/18/2019 9:31 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: This rule division relates to Distressed Areas.

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 02/22/2019 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

A public rulemaking hearing may be requested in writing by 10 or more people, or by a group with 10 or more members, within 21 days following the publication of the Notice of Proposed Rulemaking in the Oregon Bulletin or 28 days from the date the Notice was sent to people on the agency mailing list, whichever is later. If sufficient hearing requests are received, the notice of the date and time of the rulemaking hearing must be published in the Oregon Bulletin at least 14 days before the hearing.

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NEED FOR THE RULE(S):

These rules are necessary to comply with statute.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

ORS 285A.095 and 285B.062

FISCAL AND ECONOMIC IMPACT:

There is no fiscal impact as a result of these amendments.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

There is no cost to comply with the amendments to these rules for any local government, state agency or community.
There is no effect on small businesses.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

Small business were not involved in the development of this rule amendment.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

An Advisory Committee was not necessary for this amendment. There is no fiscal impact.

RULES PROPOSED:

123-024-0011, 123-024-0031

AMEND: 123-024-0011

RULE SUMMARY: This rule removes the word "quartile" as it is no longer found within the rules.

CHANGES TO RULE:

123-024-0011

Definitions ¶

For the purposes of these rules additional definitions may be found in Procedural Rules, OAR 123-001 The following terms shall have the following definitions, unless the context clearly indicates otherwise:¶

~~(1) "City" means the area within the corporate limits of any incorporated city in Oregon.¶~~

~~(2) "Quartile" means any of the three values which divide a sorted data set into four equal parts, so that each part represents one fourth of the sampled population.~~

Statutory/Other Authority: ORS 285A.075

Statutes/Other Implemented: ORS 285A.020, 285A.075, 285B.062, 285B.065

AMEND: 123-024-0031

RULE SUMMARY: This rule explains the methodology for determining Distressed Areas.

CHANGES TO RULE:

123-024-0031

Methodology for Determining Distressed Areas ¶¶

The department will consider a county, City, or other geographic area to be a distressed area under one of the following methods:¶¶

(1) Using the most recent data available on the date of calculation, a county is considered distressed when, an index is calculated as the product of the values calculated using four composite factors. It is distressed if its index is less than 1.0. If the index is more than 1.0 the county is considered non-distressed. The following are the four factors used to determine a distressed county:¶¶

- (a) The state's unemployment rate divided by the county's unemployment rate;¶¶
- (b) The county's per capita personal income divided by the state's per capita personal income;¶¶
- (c) The change in the county's average covered payroll per worker over a two year period;¶¶
- (d) The sum of the change in the county's employment over a two year period; or¶¶

(2) A city outside of a county identified as a distressed area under subsection (1) of this section may be designated as distressed when its variable values are below the designated threshold value as determined by at least three of the four indicators listed below. The threshold values for each of the four indicators shall be determined by using reliable data from each of the distressed counties based on a demonstrated methodology, as approved by the director of the department. Threshold values are calculated using the most recent 5 year American Community Survey data from the U.S. Census Bureau.¶¶

(a) Percentage of city population 25 years old and over with a bachelor's degree or higher. The threshold value for variable A is the percentage of Oregon population 25 years old and over with a bachelor's degree or higher. If the percentage of city population 25 years old and over with a bachelor's degree or higher is higher than the percentage of Oregon population 25 years old and over with a bachelor's degree or higher, this value is above the threshold and not distressed.¶¶

(b) The city's unemployment rate. The threshold value for variable B is Oregon's unemployment rate. If the city's unemployment rate is lower than Oregon's unemployment rate, this value is below the threshold and not distressed.¶¶

(c) Percentage of the city population 3 years of age and over, excluding those enrolled in college undergraduate and graduate or professional school, below the poverty level. The threshold value for variable C is the percentage of Oregon population 3 years of age and over, excluding those enrolled in college undergraduate and graduate or professional school, below the poverty level. If the percentage of the city's population 3 years of age and over, excluding those enrolled in college undergraduate and graduate or professional school, below the poverty level is lower than the percentage of Oregon population below the poverty level, this value is below the threshold and not distressed.¶¶

(d) The city's per capita personal income. The threshold value for variable D is Oregon's per capita personal income. If the city's per capita personal income is higher than Oregon per capita personal income, this value is higher than the threshold and not distressed.¶¶

(3) A county, City, or other geographic area that has demonstrated in writing, through a Temporary Distressed Petition, to the satisfaction of the director of the department, that it is suffering or is likely to suffer economic distress equal to or greater than those counties and cities qualifying as distressed areas under subsections (1) and (2) of this section. The director shall have the authority to declare counties, cities, and other geographic areas distressed as allowed under the Temporary Methodology for Determining Distressed Areas, OAR 123-024-0046.

Statutory/Other Authority: ORS 285A.075

Statutes/Other Implemented: ORS 285A.020, 285A.075, 285B.062, 285B.065

