

SB 1586: Oregon JOBS Act: Jobs, Opportunity & Build-Ready Site Act

OBJECTIVE:

Support Oregon workers and families by strengthening the state's ability to **create and retain high-wage jobs**. Maintain and accelerate modest growth of advanced manufacturing jobs (semiconductors, biotech, clean tech) in Oregon and increase Oregon's income tax base.

PROBLEM

Oregon's working families are feeling the squeeze, from rising costs at the kitchen table to growing uncertainty in the economy. **When job-creating projects are delayed or lost, workers feel it first**, and Oregon loses the revenue needed to support schools, infrastructure, and public services. Without deliberate action on site location, incentives, and regulatory relief, Oregon risks losing jobs and investments to other states and falling further behind. It becomes a promise without a place.



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SOLUTION:

I. Sites: Unlock Land for Advanced Manufacturing

Unlock land previously identified by the semiconductor task force and SB4 (2023), into the Urban Growth Boundary (UGB) in North Hillsboro for development – 1,700 acres located east of McKay Creek and south of Highway 26. Of that land, 373 acres are brought into the UGB immediately. The remaining acreage is designated as urban reserves, allowing that land to be urbanized in a future Metro process. Require land be designated for use by advanced manufacturing firms and suppliers. **Stand-alone data centers are prohibited.**

II. Incentives: Retain and Attract Advanced Manufacturing Jobs

A. Expand Research & Development Tax Credit

Expand Oregon's existing R&D credit to compete with other trade-reliant states.

- Expand the credit beyond semiconductor companies to include all advanced manufacturing companies, including clean tech and life sciences.
- Allow companies with 3,000 or more employees to receive refundable credit
- Increase the biennial credit certification limits for future biennia and extend sunset

B. Capital Equipment Property Tax Relief

Allow local governments to offer a five-year property tax exemption on new, qualified capital equipment and machinery used for advanced manufacturing (*defined*) that is purchased after January 1, 2026. Benefits the full range of advanced manufacturing around the state, from clean tech to advanced materials, and business of all sizes. Existing equipment is not eligible. Machinery returns to the tax rolls after 5 years.

C. Strengthen the Regionally Significant Industrial Sites (RSIS) Program

Change the RSIS Program qualifying threshold for rural sites from 25 jobs "per company" to 25 jobs "collectively" or "in aggregate" to ensure the City of Pendleton can remain qualified for reimbursement for infrastructure investments under RSIS.

III. Regulatory Reform

Direct state agencies to establish processing deadlines for permits, make deadlines available to the public, and publish a catalog of permits issued.