MEASURE NUMBER:SB 151STATUS:B-EngrossedSUBJECT:Sunset extension for Oregon Enterprise Zone Program with a Legislative report on<br/>performance of enterprise zones and tax incentives, and an enterprise zone property tax exemption under<br/>certain circumstancesGOVERNMENT UNIT AFFECTED:Economic and Community Development Department<br/>[Commission]PREPARED BY:John F. Borden<br/>REVIEWED BY:Robin LaMonte<br/>DATE:May 16, 2007

		<u>2007-2009</u>		<u>2009-2011</u>	
<b>EXPENDITURES:</b> Economic and Community Development Department – Lottery Funds	\$	100,000	\$		
<b>REVENUES:</b>					

## See Legislative Revenue Impact Statement

## **EFFECTIVE DATE:** 91<sup>st</sup> day after sine die

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

**LOCAL GOVERNMENT MANDATE:** This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**COMMENTS:** This measure extends the sunset date for the Enterprise Zone Program, which is administered by the Oregon Economic and Community Development Department (OECDD), from June 30<sup>th</sup>, 2009 to June 30<sup>th</sup>, 2021. The measure also requires OECDD's Commission to submit a report to the 75<sup>th</sup> Legislature that "…evaluates the performance of enterprise zones and related tax incentives…" under current law. The measure specifies that OECDD "…shall retain the services of one or more outside experts to perform the evaluations…" required by the measure. The measure also allows a local governing body to extend the period of an enterprise zone property tax exemption under certain circumstances.

OECDD reports that the sunset extension does not have a fiscal impact. The report, however, would have an estimated \$100,000 Lottery Funds impact for the 2007-09 biennium. This cost would be for a one-time professional service contract and was estimated based upon a similar program evaluation for which the Department contracts.

Based on the Legislative Revenue Office's revenue impact statement, this measure could reduce local property tax revenues beginning in the 2009-11 biennium by approximately \$835,000. This could reduce expenditures for local governments and school districts.