

2007 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 151 **STATUS:** C-Engrossed
SUBJECT: Sunset extension for Oregon Enterprise Zone Program with a Legislative report on performance of enterprise zones and tax incentives, and an enterprise zone property tax exemption under certain circumstances
GOVERNMENT UNIT AFFECTED: Legislative Assembly, Legislative Revenue Officer, and Economic and Community Development Department [Commission]
PREPARED BY: John F. Borden
REVIEWED BY: Theresa McHugh and Robin LaMonte
DATE: June 22, 2007

	<u>2007-2009</u>	<u>2009-2011</u>
EXPENDITURES: See comments		

REVENUES:
See Legislative Revenue Impact Statement

EFFECTIVE DATE: January 1, 2008

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 30th, 2009 to June 30th, 2013. The measure also creates an ad valorem property tax exemption on enterprise zones until June 30th, 2016. The measure specifies that prior to February 1, 2009 the Legislative Revenue Officer shall file with the Seventy-Fifth Legislative Assembly a report that evaluates the performance of enterprise zones and related tax incentive under select statutes. Interim Legislative Committees are also directed to evaluate the enterprise zones and related tax incentives.

OECDD reports that the sunset extension does not have a fiscal impact. OECDD could have an impact for the 2007-09 biennium related to providing information and other assistance to the Legislative Revenue Officer for the Officer’s reporting requirement under this measure.

Based on the Legislative Revenue Office’s (LRO) 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.

The Legislative Assembly and LRO would not have a fiscal impact associated with this measure.