

REVENUE: No revenue impact
FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass
Vote: 4 - 0 - 1
Yeas: George L., Monnes Anderson, Starr, Metsger
Nays: 0
Exc.: Deckert
Prepared By: Janet Adkins, Administrator
Meeting Dates: 4/26

WHAT THE MEASURE DOES: Requires employers that participate in enterprise zone programs to report employment growth attributable to the program to the Economic and Community Development Department within three years of entering the program

ISSUES DISCUSSED:

- Purpose of the measure

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Oregon's enterprise zones are designated by the Oregon Economic and Community Development Department (OECDD) and sponsored by city, county, port, or tribal governments. Once a zone is established, if an eligible business locates or expands within the zone, it is exempt for three to five years from property taxes that would otherwise be assessed on new plant and equipment. The area of the zone must meet certain economic hardship criteria, based on unemployment or median income, as established in state law.

Eligible businesses must typically increase employment and maintain employment levels during the exemption period and meet other conditions of the local sponsor and state program. The enterprise zone program was initiated in 1985, with twenty zones designated in "economically lagging areas" in the first two years. There are currently 55 enterprise zone designations, 46 of which are rural, in 35 counties. Some zones have an additional designation as electronic commerce zones with additional eligibility criteria and incentives. The OECDD estimates that 5,884 new, full-time jobs have been created, and that \$1.5 billion has been invested in business development projects as a result of the program.