

# House Bill 2788

Sponsored by Representative BUTLER

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Permits Economic and Community Development Department to approve second or subsequent applications for annual certification for property tax exemptions when business retains similar characteristics to prior certification years.

Applies to tax years beginning on or after January 1, 2007.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to Oregon Investment Advantage Act; creating new provisions; amending ORS 285C.506;  
3 and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2007 Act is added to and made a part of ORS chapter 285C.**

6 **SECTION 2. ORS 285C.500 to 285C.506 shall be known and may be cited as the Oregon**  
7 **Investment Advantage Act.**

8 **SECTION 3.** ORS 285C.506 is amended to read:

9 285C.506. (1) Following completion of the construction, reconstruction, modification, acquisition,  
10 installation or lease of the facility, the hiring of employees to conduct business operations at the  
11 facility and the commencement of operations at the facility, a business firm that obtained prelimi-  
12 nary certification under ORS 285C.503 may apply for annual certification under this section.

13 (2) The application shall be filed with the Economic and Community Development Department  
14 on or before 30 days after the end of the income or corporate excise tax year of the business firm.

15 (3) The application shall contain the following information:

16 (a) A description of the business operations conducted at the facility;

17 (b) The date business operations commenced at the facility;

18 (c) The number of full-time, year-round employees employed by the business firm at the facility;

19 (d) A schedule of the annual compensation paid to the employees; and

20 (e) Any other information required by the department.

21 (4) An application filed under this section must be accompanied by a fee in an amount prescribed  
22 by the department by rule. The fee required by the department may not exceed \$100.

23 (5) The department shall review a business firm's application and approve the application if:

24 (a) The business operations of the firm at the facility commenced within 10 years before the end  
25 of the tax year preceding the date of application for annual certification;

26 (b) The facility and the business operations actually conducted at the facility are reasonably  
27 similar to the proposed facility and proposed operations described in the application for preliminary  
28 certification; and

29 (c) The business firm has satisfied the employment and minimum compensation requirements  
30 described in ORS 285C.503 (5)(c) and (d).

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.  
New sections are in **boldfaced** type.

1 (6) In the case of the first application for annual certification filed by a business firm under this  
 2 section, the department may approve the application only if, in addition to the requirements under  
 3 subsection (5) of this section:

4 (a) Business operations commenced at the facility within a reasonable period of time, as deter-  
 5 mined by the department by rule, following the date of preliminary certification under ORS 285C.503;  
 6 and

7 (b) There has not been a significant interruption in construction, reconstruction, modification  
 8 or installation activity at the location, as determined by the department by rule, following the date  
 9 of preliminary certification under ORS 285C.503.

10 **(7) After the first application for annual certification, the department shall review a**  
 11 **business firm's application and approve the application if:**

12 (a) **The business firm meets the requirements of subsection (5) of this section; and**

13 (b) **The facility and business operations actually conducted at the facility retain similar**  
 14 **characteristics to the facility and business operations during the period of prior certification.**  
 15 **This paragraph does not preclude an applicant from changing the location of the facility, the**  
 16 **ownership or organization of the business firm or other aspects of the facility or business**  
 17 **firm that are within the intent of ORS 285C.500 to 285C.506 if the change is made in accord-**  
 18 **ance with rules adopted by the department.**

19 [(7)] (8) The department may consult with the city or county in determining whether to approve  
 20 or disapprove an application under this section.

21 [(8)] (9) If the department approves an application, it shall issue an annual certification to the  
 22 business firm.

23 [(9)] (10) If the department disapproves an application, the business firm or any owner of the  
 24 business firm may not be allowed the exemption described in ORS 316.778 or 317.391 for the tax year  
 25 for which the annual certification was sought or for any subsequent tax year.

26 [(10)] (11) The decision of the department to disapprove an application under this section may  
 27 be appealed in the manner of a contested case under ORS chapter 183.

28 [(11)] (12) An annual certification may not be issued under this section for a tax year that is  
 29 more than nine consecutive tax years following the first tax year an exemption is allowed under  
 30 ORS 316.778 or 317.391 with respect to the facility.

31 [(12)] (13) The department must approve or disapprove an application under this section within  
 32 30 days of the date the application is filed.

33 **SECTION 4. The amendments to ORS 285C.506 by section 3 of this 2007 Act apply to tax**  
 34 **years beginning on or after January 1, 2007.**

35 **SECTION 5. This 2007 Act takes effect on the 91st day after the date on which the reg-**  
 36 **ular session of the Seventy-fourth Legislative Assembly adjourns sine die.**