

Enrolled
Senate Bill 151

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CHAPTER

AN ACT

Relating to enterprise zone program; creating new provisions; and amending ORS 285C.255 and 285C.406.

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

SECTION 1. ORS 285C.255 is amended to read:

285C.255. (1) Notwithstanding any other provision of ORS 285C.050 to 285C.250:

- (a) An area may not be designated as an enterprise zone after June 30, [2009] **2013**;
- (b) A business firm may not obtain authorization under ORS 285C.140 after June 30, [2009] **2013**; and

(c) An enterprise zone, except for a reservation enterprise zone, that is in existence on June 29, [2009] **2013**, is terminated on June 30, [2009] **2013**.

(2) Notwithstanding subsection (1) of this section:

- (a) A reservation enterprise zone may be designated under ORS 285C.306 after June 30, [2009] **2013**; and

(b) A business firm may obtain authorization under ORS 285C.140 after June 30, [2009] **2013**:

- (A) If located in a reservation enterprise zone; or
- (B) As allowed under ORS 285C.245 (1)(b).

SECTION 2. ORS 285C.406 is amended to read:

285C.406. In order for a taxpayer to claim the property tax exemption under ORS 285C.409 or a corporate excise or income tax credit under ORS 317.124:

(1) The written agreement between the business firm and the rural enterprise zone sponsor that is required under ORS 285C.403 (3)(c) must be entered into prior to the termination of the enterprise zone under ORS 285C.245; and

(2) The business firm must obtain certification under ORS 285C.403 on or before June 30, [2009] **2013**.

SECTION 3. (1) Notwithstanding ORS 285C.175 (4) or 285C.180 (1), property of a business firm that otherwise meets applicable requirements for authorization and qualification under ORS 285C.050 to 285C.250 is exempt from ad valorem taxation as provided in ORS 285C.175 if:

- (a) The business firm is engaged in business activities or operations resulting from a transfer or lease of real property between the business firm and a public body; and**
- (b) At the time of the transfer or lease of real property, according to the most recent federal decennial census:**

(A) The business activities or operations are located in a city having a population of more than 2,500 but less than 5,500; and

(B) The enterprise zone is located in a county having a population of more than 6,000 but less than 9,000.

(2) A business firm that satisfies the criteria of subsection (1) of this section is an eligible business firm for purposes of ORS 285C.140.

(3) A business firm described in subsection (2) of this section that seeks to have property exempted from property taxation as provided in ORS 285C.175 shall apply for authorization as provided in ORS 285C.140.

SECTION 4. Section 3 of this 2007 Act is repealed on June 30, 2016.

SECTION 5. (1) 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 incentives under ORS 285C.050 to 285C.250.

(2) The interim legislative committee of the House of Representatives on revenue or other appropriate interim committee of the House of Representatives on revenue or economic development shall evaluate the enterprise zones and related tax incentives. The evaluation of the enterprise zone program may include, but is not limited to, evaluations of:

(a) The cost-benefit analysis of the effects on the state and local economy, public finance and services and other matters associated with actual business firms receiving the incentives, including but not limited to assessing the degree to which the incentives are significantly affecting investments and employment in the enterprise zones; and

(b) The statistical change in measures of local economic hardship over time for communities associated with enterprise zones.

Passed by Senate May 22, 2007

Received by Governor:

Repassed by Senate June 27, 2007

.....M.,....., 2007

Approved:

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Secretary of Senate

.....M.,....., 2007

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President of Senate

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Governor

Passed by House June 26, 2007

Filed in Office of Secretary of State:

.....M.,....., 2007

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Speaker of House

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Secretary of State