

C-Engrossed Senate Bill 151

Ordered by the House June 23
Including Senate Amendments dated April 10 and May 18 and House
Amendments dated June 23

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Theodore R. Kulongoski for Economic and Community Development Department)

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.

[Permits two-year extension of enterprise zone property tax exemption for sustainable business firms. Applies to sustainable business firms filing applications for authorization after effective date of Act and after sponsor elects to extend sustainable business firm enterprise zone property tax exemption.]

Extends sunset date for enterprise zone program from June 30, 2009, to June 30, 2013.

Provides that certain business firms are exempt from property taxation under enterprise zone program if specified criteria are satisfied.

Directs Oregon Economic and Community Development Commission to report to Legislative Assembly regarding evaluation of enterprise zone performance and related tax incentives.

A BILL FOR AN ACT

1
2 Relating to enterprise zone program; creating new provisions; and amending ORS 285C.255 and
3 285C.406.

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

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

6 285C.255. (1) Notwithstanding any other provision of ORS 285C.050 to 285C.250:

7 (a) An area may not be designated as an enterprise zone after June 30, [2009] **2013**;

8 (b) A business firm may not obtain authorization under ORS 285C.140 after June 30, [2009]
9 **2013**; and

10 (c) An enterprise zone, except for a reservation enterprise zone, that is in existence on June 29,
11 [2009] **2013**, is terminated on June 30, [2009] **2013**.

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

13 (a) A reservation enterprise zone may be designated under ORS 285C.306 after June 30, [2009]
14 **2013**; and

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

16 (A) If located in a reservation enterprise zone; or

17 (B) As allowed under ORS 285C.245 (1)(b).

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

19 285C.406. In order for a taxpayer to claim the property tax exemption under ORS 285C.409 or
20 a corporate excise or income tax credit under ORS 317.124:

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

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 zone under ORS 285C.245; and

2 (2) The business firm must obtain certification under ORS 285C.403 on or before June 30,
3 [2009] 2013.

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

7 (a) The business firm is engaged in business activities or operations resulting from a
8 transfer or lease of real property between the business firm and a public body; and

9 (b) At the time of the transfer or lease of real property, according to the most recent
10 federal decennial census:

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

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

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

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

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

21 **SECTION 5.** (1) Prior to February 1, 2009, the Legislative Revenue Officer shall file with
22 the Seventy-fifth Legislative Assembly a report that evaluates the performance of enterprise
23 zones and related tax incentives under ORS 285C.050 to 285C.250.

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

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

32 (b) The statistical change in measures of local economic hardship over time for commu-
33 nities associated with enterprise zones.

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