

Senate Bill 783

Sponsored by Senator WALKER; Representative HOLVEY

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**.

Requires business firms receiving enterprise zone property tax exemptions, and contractors working for firms that receive enterprise zone property tax exemptions, to meet wage, safety and employment standards.

A BILL FOR AN ACT

1
2 Relating to enterprise zone business standards; amending ORS 285C.200.

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

4 **SECTION 1.** ORS 285C.200 is amended to read:

5 285C.200. (1) The qualified property of an authorized business firm may be exempt from property
6 taxation under ORS 285C.175 only if the firm meets the following qualifications:

7 (a) The firm is an eligible business firm engaged in eligible business operations under ORS
8 285C.135 that are located inside the enterprise zone;

9 (b) The firm owns or leases qualified property that is located inside the enterprise zone;

10 (c) The employment of the firm, no later than the date the exemption is claimed under ORS
11 285C.220 or April 1 following the year in which the investment in qualified property is made,
12 whichever is earlier, is not less than the greater of:

13 (A) 110 percent of the annual average employment of the firm; or

14 (B) The annual average employment of the firm plus one employee;

15 (d) The firm does not diminish employment outside the enterprise zone as described in sub-
16 sections (4) and (5) of this section;

17 (e) The firm does not substantially curtail operations within the enterprise zone as described in
18 ORS 285C.210; [*and*]

19 **(f) The firm complies with subsection (6) of this section; and**

20 [*f*] **(g)** The firm complies in all material respects with local, Oregon and federal laws applicable
21 to the firm's operations inside the enterprise zone since the application for authorization and
22 throughout the period of exemption, as prescribed by rule.

23 (2) Notwithstanding subsection (1)(c) or (e) of this section, an eligible business firm may meet
24 the qualifications of this section if the firm has satisfied the following requirements:

25 (a) The firm is authorized subject to ORS 285C.155 and the firm satisfies those requirements; and

26 (b)(A) The firm completes an investment of \$25 million or more in qualified property; or

27 (B) The firm fulfills the requirements of ORS 285C.205 and the employment of the firm does not
28 decrease below the annual average employment of the firm.

29 (3) An authorized business firm that engages in both eligible and ineligible operations in an
30 enterprise zone and is an eligible business firm because of ORS 285C.135 (3) meets the qualifications
31 of this section if:

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 (a) The eligible operations of the firm under ORS 285C.135 meet the qualifications of this sec-
 2 tion; and

3 (b) The employees of the firm work a majority of their time in eligible operations within the
 4 enterprise zone.

5 (4) A business firm does not meet the qualifications of this section if the firm or any other firm
 6 under common control closes or permanently curtails operations in another part of the state more
 7 than 30 miles from the nearest boundary of the enterprise zone in which the firm seeks a property
 8 tax exemption. This subsection applies to the transfer of any of the business firm's operations to an
 9 enterprise zone from another part of the state, if the closure or permanent curtailment in the other
 10 part of the state diminished employment in the county and more local labor markets after authori-
 11 zation and on or before December 31 of the first tax year for which any qualified property of the
 12 firm in that zone would otherwise be exempt under ORS 285C.175.

13 (5) An authorized business firm that moves any of its employees from a site or sites within 30
 14 miles from the nearest boundary of the enterprise zone after authorization may meet the qualifica-
 15 tions under this section if the employment of the firm has been increased within the zone and at the
 16 site or sites from which the employees were transferred, no later than April 1 preceding the first
 17 tax year for which qualified property of the firm is exempt under ORS 285C.175, to not less than 110
 18 percent of the annual average employment of the firm within the zone and the site or sites from
 19 which the employees were transferred, calculated over the 12 months preceding the date of appli-
 20 cation for authorization.

21 **(6) A business firm does not meet the qualifications of this section unless the firm and**
 22 **contractors, subcontractors or other agents working with the firm, if any, on the qualified**
 23 **property agree that each entity working on the property or on the project:**

24 **(a) Is an equal opportunity employer that actively seeks participation from small busi-**
 25 **ness concerns, small disadvantaged business enterprises and business concerns owned or**
 26 **managed by women, minorities or veterans.**

27 **(b) Encourages hiring from the local area workforce.**

28 **(c) Provides employer-paid comprehensive health care for workers and families of work-**
 29 **ers.**

30 **(d) Obtains and maintains an acceptable safety record, including:**

31 **(A) No willful violations with the Occupational Safety and Health Division.**

32 **(B) A workers' compensation experience rating modification factor satisfactory to the**
 33 **owner of the business firm and the Economic and Community Development Department.**

34 **(e) Complies with all Construction Contractors Board and workers' compensation re-**
 35 **quirements.**

36 **(f) Is not listed on the Bureau of Labor and Industries' debarred contractors list at the**
 37 **time that the business, contractor or subcontractor is working on the project or on the**
 38 **project site.**

39 **(g) Is a registered training agent with the Bureau of Labor and Industries when em-**
 40 **ploying apprentices or encourages participation in apprenticeship programs when appropri-**
 41 **ate.**

42 **(h) Complies with rules and regulations of the Department of Environmental Quality, the**
 43 **federal Environmental Protection Agency and all other environmental regulatory agencies.**

44 **(i) Promotes the use of local vendors, suppliers and other contractors or subcontractors.**

45 **(j) Pays a livable family wage equal to the current total wage and fringe benefits package**

1 **listed in the Prevailing Wage Survey of the Bureau of Labor and Industries for applicable**
2 **businesses or trades in the geographical area.**

3 **(k) Does not hire or employ workers who are citizens of foreign countries and who are**
4 **present in the United States in violation of federal immigration laws.**

5 **(L) Participates in weekly scheduled meetings with the owner of the business firm and**
6 **labor representatives throughout the duration of the project.**

7 **(m) Posts contractor and subcontractor lists upon award of bids.**

8 **(n) For projects on the property site and in the business operations on the property,**
9 **contracts, subcontracts, leases or subleases with, or otherwise awards work to, agents,**
10 **contractors, subcontractors and other businesses that agree to comply with this subsection.**

11 [(6)] (7) For purposes of subsection [(1)(f)] (1)(g) of this section, the Economic and Community
12 Development Department shall adopt rules that define the effect of noncompliance on an eligible
13 business firm's continuing exemption in an enterprise zone and that indicate what is necessary to
14 establish the noncompliance in terms of materiality of the relevant violation, the finality of appli-
15 cable legal or regulatory proceedings and judgments involving the firm, the failure by the firm to
16 perform or submit to remedial or curative actions and similar factors.

17 [(7)] (8) As used in this section:

18 (a) "Annual average employment of the firm" means the average employment of the firm, cal-
19 culated over the 12 months preceding the date of application for authorization.

20 (b) Except as provided in subsection (5) of this section, "employment of the firm" means:

21 (A) The number of employees working for the firm a majority of their time in eligible operations
22 at locations within the enterprise zone; or

23 (B) In the case of a firm described in ORS 285C.135 (5)(b), the number of employees working a
24 majority of their time at the facility in the enterprise zone for which authorization was obtained.

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