

75TH OREGON LEGISLATIVE ASSEMBLY  
STAFF MEASURE SUMMARY  
SENATE FINANCE AND REVENUE COMMITTEE

MEASURE: SB 726 A  
CARRIER: Sen. Telfer

**REVENUE:** Revenue Impact Issued

**FISCAL:** Minimal Fiscal Impact, no statement issued

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**Action:** Do Pass with Amendments and be Printed A Engrossed

**Vote:** 5-0-0

**Yeas:** Hass, Morse, Rosenbaum, Telfer, Burdick

**Nays:** 0

**Exc.:** 0

**Prepared By:** Dae Baek, Economist

**Meeting Dates:** 4/28, 6/1

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**WHAT THE BILL DOES:** Authorizes eligible Indian tribes to request Economic and Community Development Department to designate Reservation Enterprise Zone (REZ). Authorizes eligible Indian tribes to cosponsor Reservation Partnership Zones. Makes Enterprise Zone exemptions and tax credits available for REZ. Eliminates median income and unemployment rate requirements for REZ.

**ISSUES DISCUSSED:**

- Lack of economic opportunity and hardship in reservations
- Land use in a Reservation Enterprise Zone (REZ)
- Tax exemptions and credits available for a REZ

**EFFECT OF COMMITTEE AMENDMENTS:** Makes clarifications. Allows a Reservation Enterprise Zone to include lands outside the boundaries of the tribe's reservation. Allows a reservation partnership zone to include lands within the jurisdiction of a cosponsoring city, county or port.

**BACKGROUND:** This bill expands eligibility for the Reservation Enterprise Zone (REZ). The original legislation on REZ, enacted in 2001 and amended in 2005, contained restricting criteria that only allowed two of the nine Oregon Tribes to qualify—Warm Springs and Umatilla. This bill eliminates these restricting requirements.

This bill also gives businesses in REZ an option to take advantage of exemptions and credits that are available in Enterprise Zones. Qualified taxpayers operating a new business facility in a REZ may claim an income tax credit for the amount of tribal tax paid. 2009-11 Tax Expenditure Report estimates less than \$50,000 of tax expenditure for FY 2009-11.

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