

House Bill 2549

Sponsored by Representative JENSON

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**.

Expands time period in which certain business firms must hire employees in order to qualify for long term rural enterprise zone tax exemption.

Applies to business firms receiving rural enterprise zone exemption on or after effective date of Act and to property tax years beginning on or after July 1, 2009.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to rural enterprise zone tax exemption; creating new provisions; amending ORS 285C.412;
3 and prescribing an effective date.

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

5 **SECTION 1.** ORS 285C.412 is amended to read:

6 285C.412. In order for a facility of a business firm to continue to be exempt from ad valorem
7 property taxation under ORS 285C.409 for a tax year following the first assessment date on which
8 the facility is in service, all of the conditions of any one of the alternative subsections in this sec-
9 tion must be met:

10 (1) In order for the exemption under ORS 285C.409 (1)(c) to be allowable pursuant to this sub-
11 section:

12 (a) By the end of the calendar year in which the facility is placed in service, the total cost of
13 the facility exceeds the lesser of \$25 million or one percent of the real market value of all nonex-
14 empt taxable property in the county in which the facility is located, as determined for the assess-
15 ment year in which the business firm is certified (and rounded to the nearest \$10 million of such
16 value);

17 (b) The business firm hires or will hire at least 75 full-time employees at the facility by the end
18 of the fifth calendar year following the year in which the facility is placed in service; and

19 (c) The annual average compensation for employees, based on payroll, at the business firm's fa-
20 cility is at least 150 percent of the average wage in the county in which the facility is located. This
21 requirement may be initially met in any year during the first five years after the year in which op-
22 eration of the facility begins, and thereafter is met if the annual average compensation at the fa-
23 cility for the year exceeds the average wage in the county for the year in which the requirement
24 is initially met.

25 (2) In order for the exemption under ORS 285C.409 (1)(c) to be allowable pursuant to this sub-
26 section:

27 (a) The facility meets the total cost requirements set forth in subsection (1)(a) of this section;

28 (b) The business firm meets the annual average compensation requirements set forth in sub-
29 section (1)(c) of this section; and

30 (c)(A) The business firm hires or will hire at least 10 full-time employees at the facility by the

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 end of the third calendar year following the year in which the facility is placed in service, and at
2 the time that the business firm is certified, the location of the facility is in a county with a popu-
3 lation of 10,000 or fewer; or

4 (B) The business firm hires or will hire at least 35 full-time employees at the facility by the end
5 of the third calendar year following the year in which the facility is placed in service, and at the
6 time that the business firm is certified, the location of the facility is in a county with a population
7 of 40,000 or fewer.

8 (3) In order for the exemption under ORS 285C.409 (1)(c) to be allowable pursuant to this sub-
9 section:

10 (a) By the end of the calendar year in which the facility is placed in service, the total cost of
11 the facility exceeds the lesser of \$12.5 million or one-half of one percent of the real market value
12 of all nonexempt taxable property in the county in which the facility is located, as determined for
13 the assessment year in which the business firm is certified (and rounded to the nearest \$10 million
14 of such value);

15 (b) At the time that the business firm is certified, the location of the facility is 10 or more miles
16 from Interstate Highway 5, as measured between the two closest points between the facility site and
17 anywhere along that interstate highway;

18 (c) The business firm meets the annual average compensation requirements set forth in sub-
19 section (1)(c) of this section; and

20 (d)(A) The business firm hires or will hire at least 50 full-time employees at the facility by the
21 end of the [*third*] **fifth** calendar year following the year in which the facility is placed in service;
22 or

23 (B) The business firm satisfies the requirements of subsection (2)(c)(A) or (B) of this section.

24 (4) In order for the exemption under ORS 285C.409 (1)(c) to be allowable pursuant to this sub-
25 section:

26 (a) Within three years either before or after the property tax year in which the facility is placed
27 in service, the business firm places one or more other facilities in the same or another enterprise
28 zone for which the business firm is certified and otherwise meets the requirements of ORS 285C.400
29 to 285C.420;

30 (b) The total cost of all facilities of the business firm exceeds \$25 million by the end of the
31 calendar year in which the last such facility is placed in service;

32 (c) The business firm meets the annual average compensation requirements set forth in sub-
33 section (1)(c) of this section independently for each facility of the firm; and

34 (d) The business firm hires or will hire a total of at least 100 full-time employees at all of the
35 firm's facilities by the end of the fifth calendar year following the year in which the first such fa-
36 cility is placed in service.

37 (5) In order for the exemption under ORS 285C.409 (1)(c) to be allowable pursuant to this sub-
38 section:

39 (a) By the end of the calendar year in which the facility is placed in service, the total cost of
40 the facility exceeds \$200 million;

41 (b) At the time that the business firm is certified, the location of the facility meets the siting
42 requirements of subsection (3)(b) of this section;

43 (c) The business firm hires or will hire at least 10 full-time employees at the facility by the end
44 of the third calendar year following the year in which the facility is placed in service; and

45 (d) The business firm meets the annual average compensation requirements set forth in sub-

1 section (1)(c) of this section.

2 **SECTION 2. The amendments to ORS 285C.412 by section 1 of this 2009 Act apply to**
3 **business firms exempt from ad valorem property taxation under ORS 285C.409 on or after the**
4 **effective date of this 2009 Act and to property tax years beginning on or after July 1, 2009.**

5 **SECTION 3. This 2009 Act takes effect on the 91st day after the date on which the reg-**
6 **ular session of the Seventy-fifth Legislative Assembly adjourns sine die.**

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