

House Bill 3015

Sponsored by 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**.

Modifies requirements for obtaining authorization for enterprise zone exemptions.

A BILL FOR AN ACT

1
2 Relating to applications for authorization for enterprise zone exemption; creating new provisions;
3 and amending ORS 285C.140.

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

5 **SECTION 1.** ORS 285C.140 is amended to read:

6 285C.140. (1)(a) Any eligible business firm seeking to have property exempt from property taxa-
7 tion under ORS 285C.175 shall, before the commencement of direct site preparation activities or the
8 construction, addition, modification or installation of qualified property in an enterprise zone, and
9 before the hiring of eligible employees, apply for authorization under this section.

10 (b) The application shall be made on a form prescribed by the Department of Revenue and the
11 Economic and Community Development Department.

12 (c) The application shall be filed with the sponsor of the zone. A sponsor may require that the
13 application filed with the sponsor be accompanied by a filing fee. If required, the filing fee may not
14 exceed the greater of \$200 or one-tenth of one percent of the value of the investment in qualified
15 property that is proposed in the application for authorization. The filing fee may be required for the
16 filing of applications only after the sponsor adopts a policy, consistent with Economic and Commu-
17 nity Development Department rules, authorizing the imposition of the filing fee.

18 (2) The application shall contain the following information:

19 (a) A description of the nature of the firm's current and proposed business operations inside the
20 boundary of the enterprise zone;

21 (b) A description and estimated value of the qualified property to be constructed, added, modi-
22 fied or installed inside the boundary of the enterprise zone;

23 (c) The number of employees of the firm that are employed within the enterprise zone, averaged
24 over the previous 12 months, and an estimate of the number of employees that will be hired by the
25 firm;

26 (d) A commitment to meet all requirements of ORS 285C.200 and 285C.215, and to verify com-
27 pliance with these requirements;

28 (e) A commitment to satisfy all additional conditions for authorization that are imposed by the
29 enterprise zone sponsor under ORS 285C.150, 285C.155 or 285C.205 or pursuant to an agreement
30 entered into under ORS 285C.160, and to verify compliance with these additional conditions;

31 (f) A commitment to renew the application, consistent with ORS 285C.165, every two years while
32 the zone exists if the firm has not filed a claim under ORS 285C.220 that is based on the application;

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 [and]

2 (g) A commitment to pay employee wages in an amount no less than 150 percent of the
 3 county average wage, provide health insurance coverage for employees and provide employ-
 4 ees the option to purchase additional health insurance coverage for dependents;

5 (h) A commitment to pay for new construction services at prevailing wage rates;

6 (i) A commitment to comply with the requirements for new construction in ORS chapters
 7 279A and 279C as if the applicant were a contracting agency as that term is defined in ORS
 8 279A.010; and

9 [(g)] (j) Any other information considered necessary by the Department of Revenue and the
 10 Economic and Community Development Department.

11 (3) After an application is submitted to a sponsor, the business firm may revise or amend the
 12 application. An amendment or revision may not be made on or after January 1 of the first assess-
 13 ment year for which the qualified property associated with the application is exempt under ORS
 14 285C.175.

15 (4) If an application for authorization appears to be complete and the proposed investment ap-
 16 pears to be eligible for authorization, the sponsor and the business firm shall conduct a preautho-
 17 rization consultation. The county assessor shall be timely notified and have the option to participate
 18 in the consultation. The consultation shall:

19 (a) Identify issues with the potential to affect compliance with relevant exemption requirements,
 20 including but not limited to enterprise zone boundary amendments;

21 (b) Arrange for methods and procedures to establish and verify compliance with applicable re-
 22 quirements; and

23 (c) Identify the person who is obligated to notify the county assessor if requirements are not
 24 being satisfied.

25 (5) Upon completion of the consultation, the sponsor shall prepare a written summary of the
 26 consultation made under subsection (4) of this section, attach the summary to the application and
 27 forward the application to the county assessor of each county in which the zone is located for re-
 28 view by the assessor.

29 (6) Following the preauthorization [*conference*] **consultation** under subsection (4) of this section,
 30 the sponsor and the county assessor shall authorize the business firm by approving the application,
 31 if the sponsor and county assessor determine that:

32 (a) The current or proposed operations of the business firm in the enterprise zone result in the
 33 firm being eligible under ORS 285C.135; and

34 (b) The firm has made the commitments and provided the other information required under
 35 subsection (2) of this section.

36 (7) If the business firm seeking authorization is an eligible business firm described in ORS
 37 285C.135 (5)(b), the sponsor must, as a condition to approving the application, make a formal finding
 38 that the business firm is an eligible business firm under ORS 285C.135 and that the size of the pro-
 39 posed investment, the employment at the facility of the firm or the nature of the activities under-
 40 taken by the firm within the enterprise zone will significantly enhance the local economy, promote
 41 the purposes for which the zone was created and increase employment within the zone.

42 (8) The approval of both the sponsor and the county assessor under this section shall be prima
 43 facie evidence that the qualified property of the business firm will receive the property tax ex-
 44 emption under ORS 285C.175. In approving the application, the sponsor and county assessor shall
 45 provide proof of approval as directed by the Economic and Community Development Department.

1 (9) If the sponsor or county assessor fails or refuses to authorize the business firm, the business
 2 firm may appeal to the Oregon Tax Court under ORS 305.404 to 305.560. The business firm shall
 3 provide copies of the firm’s appeal to the sponsor, county assessor, the Department of Revenue and
 4 the Economic and Community Development Department.

5 (10) Authorization under this section does not ensure that property constructed, added, modified
 6 or installed by the authorized business firm will receive property tax exemption under ORS 285C.175.
 7 The sponsor and the county assessor are not liable in any way if the Department of Revenue or the
 8 county assessor later determines that an authorized business firm does not satisfy the requirements
 9 for an exemption on qualified property.

10 (11) Notwithstanding subsection (1) of this section, if an eligible business firm has begun or
 11 completed the construction, addition, modification or installation of property that meets the quali-
 12 fications of ORS 285C.180, and the property has not yet been subject to property tax, then, for pur-
 13 poses of ORS 285C.050 to 285C.250, the firm shall be authorized under this section if the firm files
 14 an application that is allowed under subsection (12) of this section and is otherwise authorized under
 15 this section.

16 (12) Late submission of an application under this section is allowed if:

17 (a) A rule permits late submissions of applications under this section; or

18 (b) The Department of Revenue waives filing deadline requirements under this section. The de-
 19 partment shall issue a letter to the eligible business firm and zone sponsor setting forth the waiver
 20 under this paragraph.

21 **SECTION 2. The amendments to ORS 285C.140 by section 1 of this 2009 Act apply to ap-**
 22 **plications for authorization for enterprise zone exemptions filed on or after the effective date**
 23 **of this 2009 Act.**