

**A-Engrossed**  
**Senate Bill 726**

Ordered by the Senate June 9  
Including Senate Amendments dated June 9

Sponsored by Senator FERRIOLI; Senators ATKINSON, BOQUIST, DEVLIN, KRUSE, TELFER, VERGER, Representatives BERGER, FREEMAN, HUFFMAN, JENSON, KAHL, RILEY, ROBLAN, G SMITH, WHISNANT

**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.

Authorizes certain Indian tribes to request Economic and Community Development Department to designate reservation [*trust land*] **enterprise** zones.

Authorizes certain Indian tribes to cosponsor reservation partnership zones.

Makes exemptions and tax credits that are available in connection with enterprise zones available in connection with reservation enterprise zones.

Eliminates median income and unemployment rate requirements for reservation enterprise zones.

**A BILL FOR AN ACT**

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2 Relating to reservation enterprise zones; amending ORS 285C.306 and 285C.320.

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

4 **SECTION 1.** ORS 285C.306 is amended to read:

5 285C.306. [(1) *Trust land of an Indian tribe that meets all of the following requirements is designated as a reservation enterprise zone for the purposes of ORS 285C.300 to 285C.320:*]

7 (1) **As used in this section, "eligible Indian tribe" means each of the Burns Paiute Tribe, the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians, the Confederated Tribes of the Grand Ronde Community of Oregon, the Confederated Tribes of Siletz Indians of Oregon, the Confederated Tribes of the Umatilla Indian Reservation, the Confederated Tribes of Warm Springs, the Coquille Indian Tribe, the Cow Creek Band of Umpqua Tribe of Indians and the Klamath Tribes, as long as each remains a federally recognized Indian tribe.**

11 (2)(a) **The government of an eligible Indian tribe may request the Economic and Community Development Department to designate one reservation enterprise zone. The reservation enterprise zone may cover an area of no more than 12 square miles, which does not have to be contiguous.**

12 [(a) *The Indian tribe is a federally recognized Indian tribe;*]

13 [(b) *The reservation of the Indian tribe is entirely within the boundaries of this state;*]

14 [(c)] (b) **Upon request, the department shall designate a reservation enterprise zone if the land for which zone designation is sought is:**

15 (A) Land held in trust by the United States for the benefit of the [*Indian tribe and is*] **tribe;**

16 (B) **Land for which an application to transfer the land into trust has been filed with the federal government and is pending; or**

17 (C) **Land that is located [*entirely*] within the boundaries of the **tribe's** reservation[;].**

18 (c) **Land designated as a reservation enterprise zone pursuant to paragraph (b)(A) or (B)**

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**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 **of this subsection may be outside the boundaries of the tribe's reservation.**

2 [(d) Fifty percent or more of the households within the boundaries of the reservation have incomes  
3 below 80 percent of the median income of this state, as defined by the most recent federal decennial  
4 census; and]

5 [(e) The unemployment rate within the reservation for all enrolled members of the tribe is at least  
6 2.0 percentage points greater than the comparable unemployment rate for this state, as defined by the  
7 most recently available data published or officially provided and verified by the United States Gov-  
8 ernment, the Employment Department, the Portland State University Population Research Center or a  
9 special study conducted under a contract with a regional academic institution.]

10 [(2) At the request of a tribal government, the Economic and Community Development Department  
11 shall determine if trust land is designated as a reservation enterprise zone under this section.]

12 **(3)(a) The government of an eligible Indian tribe may cosponsor a reservation partnership**  
13 **zone comprising an area of up to 12 square miles. A reservation partnership zone includes**  
14 **lands within the jurisdiction of a cosponsoring city, county or port and may include both**  
15 **lands held in trust by the federal government for the benefit of the tribe and lands within**  
16 **the boundaries of the tribe's reservation.**

17 **(b) A reservation partnership zone must be cosponsored by the government of an eligible**  
18 **Indian tribe and a city, county or port pursuant to an agreement formed under ORS 190.110**  
19 **to perform the duties imposed on a sponsor under ORS 285C.050 to 285C.250.**

20 **SECTION 2.** ORS 285C.320 is amended to read:

21 285C.320. (1) A reservation enterprise zone [*shall be considered to be*] **is** a rural enterprise zone  
22 for purposes of ORS 285C.050 to 285C.250. The tribal government of the reservation [*shall be con-*  
23 *sidered to be*] **is** the sponsor of the reservation enterprise zone.

24 (2) Reservation enterprise zones may not be taken into account in determining the number of  
25 rural enterprise zones allowable in this state under ORS 285C.050 to 285C.250, and are not subject  
26 to numerical limitation under ORS 285C.050 to 285C.250.

27 **(3) Exemptions and tax credits available in connection with an enterprise zone are avail-**  
28 **able in connection with a reservation enterprise zone.** In order for property within a reservation  
29 enterprise zone to be exempt under ORS 285C.175, the business firm and property must meet [*all*  
30 *of*] the requirements applicable to business firms and property in [*any rural*] **an** enterprise zone.

31 (4) As used in this section, "business firm" has the meaning given that term in ORS 285C.050.  
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