

**76TH OREGON LEGISLATIVE ASSEMBLY  
STAFF MEASURE SUMMARY  
HOUSE REVENUE COMMITTEE**

**MEASURE: SB 904  
CARRIER:**

**REVENUE:** May have revenue impact, no statement issued

**FISCAL:** May have fiscal impact, no statement issued

*Preliminary*

**Action:**

**Vote:**

Yeas:

Nays:

Exc.:

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**Meeting Dates:** 3/29, 4/19, 5/16

**WHAT THE BILL DOES:** Directs the Oregon Business Development Department to establish a program to allow rural airports to create an airport tax increment financing district with the approval of the commission and all cities, counties, and other local property taxing jurisdictions with taxable lands in the proposed district. Limits the size of the district to a one-mile radius around the center of the airport. Defines the area to be included in a district around the Aurora State Airport. Allows the Oregon Business Development department, with commission approval, to enter into an agreement providing a partial rebate of new property tax revenues for the airport sponsor that will be required to be used for airport operations, maintenance, infrastructure, and services. Limits the partial rebates to 50 percent of the increases in property tax revenues for up to 25 years. Directs the department to adopt rules for the structure and amount of partial rebates. Requires the airport sponsor to pay 2.5 percent of the partial rebates to the Oregon Department of Aviation and 2.5 percent of the partial rebates to the Oregon Business Development Department for both organizations to support aviation planning. Requires the airport sponsor of the tax increment financing district to establish a four member committee to advise the sponsor on proposed uses of money received as a partial rebate.

**ISSUES DISCUSSED:**

**EFFECT OF COMMITTEE AMENDMENTS:**

**BACKGROUND:** ORS 307.120 provides a property tax exemption for rural airports located in municipalities or ports with fewer than 300,000 inhabitants. This measure would only apply to "rural airports" which it defines as those located in cities with fewer than 75,000 people as of January 1, 2005. Airports wishing to establish a tax increment financing district are required to give up the exemption in ORS 307.120.