

House Bill 3043

Sponsored by Representative OLSON, Senator MORSE; Representatives CLEM, JOHNSON, SCHAUFLEER, SPRENGER, WAND, WHISNANT, Senators KRUSE, THOMSEN

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**.

Authorizes enterprise zone sponsor to suspend employment requirements for exemption from property taxation for qualified business firm under certain economic conditions.

Repeals alternative requirements for qualifying reconditioned, refurbished, retrofitted or upgraded property for enterprise zone tax exemption.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to enterprise zones; creating new provisions; amending ORS 285C.105, 285C.140, 285C.175,
3 285C.200 and 285C.210 and section 2, chapter 39, Oregon Laws 2010; repealing ORS 285C.195;
4 and prescribing an effective date.

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

6 **SECTION 1.** Section 2, chapter 39, Oregon Laws 2010, is amended to read:

7 **Sec. 2.** *[For purposes of ORS 285C.200 (3):]*

8 *[(1) When the conditions specified in subsection (2) of this section exist, the sponsor of an enterprise*
9 *zone may:]*

10 *[(a) Specify a minimum number of employees that an authorized business firm must maintain*
11 *throughout the exemption period that is less than the employment requirements of ORS 285C.200 (1)(c);*
12 *and]*

13 *[(b) Extend the period of time for which the qualified property of the authorized business firm may*
14 *continue to be exempt from taxation under ORS 285C.175, not to exceed two additional tax years.]*

15 *[(2) The zone sponsor may take the actions specified in subsection (1) of this section when the fol-*
16 *lowing conditions exist:]*

17 *[(a) There has been a decline for two or more consecutive quarters in the last 12 months in sea-*
18 *sonally adjusted nonfarm payroll employment; and]*

19 *[(b) The unemployment rate of the county in which the enterprise zone is located is at least two*
20 *percentage points greater than the comparable unemployment rate for this state, as defined by the most*
21 *recently available data published or officially provided and verified by the United States Government*
22 *or the Employment Department.]*

23 *[(3) When the zone sponsor has taken the actions specified in subsection (1) of this section, the*
24 *authorized business firm may not file a claim for exemption under ORS 285C.175 unless it otherwise*
25 *meets all of the requirements of ORS 285C.200 (1) for any tax year during the exemption period as*
26 *extended under subsection (1)(b) of this section.]*

27 *[(4) The actions of the zone sponsor under subsection (1) of this section must be set forth in a re-*
28 *solution adopted by the governing body of the sponsor within 60 days of taking the actions. A resol-*
29 *ution adopted under this subsection may be revoked or modified at the request of the zone sponsor at*

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 *any time during the exemption period as extended under subsection (1)(b) of this section.]*

2 *[(5) An eligible business firm authorized under ORS 285C.140 does not lose its status as an au-*
 3 *thorized business firm solely because the zone sponsor has taken the actions specified in subsection (1)*
 4 *of this section.]*

5 **(1)(a) The sponsor of an enterprise zone may suspend the obligation of a qualified busi-**
 6 **ness firm to meet the employment requirements of ORS 285C.200 for a period not to exceed**
 7 **three consecutive years when:**

8 **(A) For two or more consecutive calendar quarters in the last 12 months, as defined by**
 9 **the most recently available data published or officially provided and verified by the United**
 10 **States Government or the Employment Department:**

11 **(i) There has been a decline statewide in seasonally adjusted nonfarm payroll employ-**
 12 **ment; and**

13 **(ii) The unemployment rate of the county in which the qualified property of the firm is**
 14 **located has been at least two percentage points greater than the comparable unemployment**
 15 **rate for this state; and**

16 **(B) The qualified business firm has completed an investment in qualified property of at**
 17 **least:**

18 **(i) \$4 million if the qualified property is in a rural enterprise zone; or**

19 **(ii) \$8 million if the qualified property is in an urban enterprise zone.**

20 **(b) At the time a period of suspension is granted, the sponsor must specify a minimum**
 21 **number of employees greater than zero that the qualified business firm is required to employ**
 22 **during the period of suspension.**

23 **(2)(a) The granting of a period of suspension under subsection (1) of this section does not**
 24 **affect an eligible business firm's status as an authorized business firm under ORS 285C.140.**

25 **(b) During the period of suspension:**

26 **(A) The qualified business firm is not exempt from taxation under ORS 285C.175; and**

27 **(B) Notwithstanding subparagraph (A) of this paragraph, the qualified business firm must**
 28 **file an exemption claim as required under ORS 285C.220 and 285C.225.**

29 **(c) The period of suspension does not count toward the total period of time for which**
 30 **exemption from taxation is allowed under ORS 285C.175.**

31 **(d)(A) After the period of suspension has ended, the qualified business firm is eligible to**
 32 **resume exemption from taxation for the period of time remaining under ORS 285C.175.**

33 **(B) To resume exemption under subparagraph (A) of this paragraph, the firm must sat-**
 34 **isfy the requirements of ORS 285C.200, including any reduction in employment level pursuant**
 35 **to subsection (4) of this section:**

36 **(i) On or before April 1 preceding the first tax year that begins during the period of time**
 37 **remaining under ORS 285C.175; or**

38 **(ii) On average during the assessment year in which the first tax year remaining under**
 39 **ORS 285C.175 begins if the qualified business firm received at least one year of exemption**
 40 **under ORS 285C.175 before the period of suspension began.**

41 **(3)(a) The sponsor's actions under subsection (1) of this section are not effective unless**
 42 **set forth in a resolution adopted by the governing body of the sponsor no later than the**
 43 **earlier of:**

44 **(A) 60 days after the date on which the sponsor notifies the qualified business firm that**
 45 **the sponsor intends to act pursuant to subsection (1) of this section; or**

1 **(B) August 31 of the first year of suspension.**

2 **(b) A resolution adopted under this subsection may be revoked or amended by the sponsor at any time during the period of suspension.**

3 **(4) A resolution adopted under subsection (3) of this section may reduce the employment level required under ORS 285C.200 (1)(c) and (e) after the period of suspension.**

4 **(5) A sponsor shall promptly provide to the county assessor:**

5 **(a) A copy of a resolution adopted under subsection (3)(a) of this section;**

6 **(b) A copy of a resolution as amended under subsection (3)(b) of this section; and**

7 **(c) Notice that a resolution has been revoked under subsection (3)(b) of this section.**

8 **SECTION 2.** ORS 285C.175 is amended to read:

9 285C.175. (1) Property of an authorized business firm is exempt from ad valorem property taxation if:

10 (a) The property is qualified property under ORS 285C.180;

11 (b) The firm meets the qualifications under ORS 285C.200; and

12 (c) The firm has entered into a first-source hiring agreement under ORS 285C.215.

13 **(2)(a) Except as provided in section 2, chapter 39, Oregon Laws 2010:**

14 **(A)** The exemption allowed under this section applies to the first tax year for which, as of January 1 preceding the tax year, the qualified property is in service. The exemption shall continue for the next two succeeding tax years if the property continues to be owned or leased by the business firm and located in the enterprise zone.

15 **[(b)] (B)** The property *[may be]* **is** exempt from property taxation under this section for up to two additional tax years consecutively following the tax years described in *[paragraph (a) of this subsection]* **subparagraph (A) of this paragraph**, if authorized by the written agreement entered into by the firm and the sponsor under ORS 285C.160.

16 **[(c)] (b)** If qualified property of a qualified business firm is sold or leased to an eligible business firm in the enterprise zone during the period the property is exempt under this section, the purchasing or leasing firm is eligible to continue the exemption of the selling or leasing firm for the balance of the exemption period, but only if any effects on employment within the zone that result from the sale or lease do not constitute substantial curtailment under ORS 285C.210.

17 **(3)(a)** The exemption allowed under this section shall be 100 percent of the assessed value of the qualified property in each of the tax years for which the exemption is available.

18 **(b)** Notwithstanding paragraph (a) of this subsection:

19 **(A)** If the qualified property is an addition to or modification of an existing building or structure, the exemption shall be measured by the increase in value, if any, attributable to the addition or modification.

20 **(B)** If the qualified property is an item of reconditioned, refurbished, retrofitted or upgraded real property machinery or equipment, the exemption shall be measured by the increase in the value of the item that is attributable to the reconditioning, refurbishment, retrofitting or upgrade.

21 **(4)(a)** An exemption may not be granted under this section for qualified property assessed for property tax purposes in the county in which the property is located on or before the effective date of the:

22 **(A)** Designation of the zone; or

23 **(B)** Approval of a boundary change for the zone if the property is located in an area added to the zone.

24 **(b)** An exemption may not be granted for qualified property constructed, added, modified or in-

1 stalled in the zone or in the process of construction, addition, modification or installation in the
 2 zone on or before the effective date of the:

3 (A) Designation of the zone; or

4 (B) Approval of a boundary change for the zone if the property is located in an area added to
 5 the zone.

6 (c) An exemption may not be granted for any qualified property that was in service within the
 7 zone for more than 12 months by January 1 of the first assessment year for which an exemption
 8 claim is made.

9 (d) An exemption may not be granted for any qualified property unless the property is **actually**
 10 in use or occupancy before July 1 of the [*year immediately following the year during which the com-*
 11 *pletion of the construction, addition, modification or installation occurred*] **first assessment year for**
 12 **which an exemption claim is made.**

13 (e) Except as provided in ORS 285C.245, an exemption may not be granted for qualified property
 14 constructed, added, modified or installed after termination of an enterprise zone.

15 (5) Property is not required to have been exempt under ORS 285C.170 in order to be exempt
 16 under this section.

17 (6) The county assessor shall notify the business firm in writing whenever property is denied
 18 an exemption under this section **or under section 2, chapter 39, Oregon Laws 2010**. The denial
 19 of exemption **under this section** may be appealed to the Oregon Tax Court under ORS 305.404 to
 20 305.560.

21 (7) For each tax year that the property is exempt from taxation, the assessor shall:

22 (a) Enter on the assessment roll, as a notation, the assessed value of the property as if it were
 23 not exempt under this section.

24 (b) Enter on the assessment roll, as a notation, the amount of additional taxes that would be
 25 due if the property were not exempt.

26 (c) Indicate on the assessment roll that the property is exempt and is subject to potential addi-
 27 tional taxes as provided in ORS 285C.240, by adding the notation “enterprise zone exemption (po-
 28 tential additional tax).”

29 **SECTION 3.** ORS 285C.200, as amended by section 3, chapter 39, Oregon Laws 2010, is amended
 30 to read:

31 285C.200. (1) The qualified property of an authorized business firm may be exempt from property
 32 taxation under ORS 285C.175 only if the firm meets the following qualifications:

33 (a) The firm is an eligible business firm engaged in eligible business operations under ORS
 34 285C.135 that are located inside the enterprise zone;

35 (b) The firm owns or leases qualified property that is located inside the enterprise zone;

36 (c) **Except as provided in section 2, chapter 39, Oregon Laws 2010**, the employment of the
 37 firm, no later than the date the exemption is claimed under ORS 285C.220 or April 1 following the
 38 year in which the investment in qualified property is made, whichever is earlier, is not less than the
 39 greater of:

40 (A) 110 percent of the annual average employment of the firm; or

41 (B) The annual average employment of the firm plus one employee;

42 (d) The firm does not diminish employment outside the enterprise zone as described in sub-
 43 sections [(5) and (6)] **(4) and (5)** of this section;

44 (e) The firm does not substantially curtail operations within the enterprise zone as described in
 45 ORS 285C.210; and

1 (f) The firm complies in all material respects with local, Oregon and federal laws applicable to
2 the firm's operations inside the enterprise zone since the application for authorization and
3 throughout the period of exemption, as prescribed by rule.

4 (2) Notwithstanding subsection (1)(c) or (e) of this section, an eligible business firm may meet
5 the qualifications of this section if the firm has satisfied the following requirements:

6 (a) The firm is authorized subject to ORS 285C.155 and the firm satisfies those requirements; and

7 (b)(A) The firm completes an investment of \$25 million or more in qualified property; or

8 (B) The firm fulfills the requirements of ORS 285C.205 and the employment of the firm does not
9 decrease below the annual average employment of the firm.

10 *[(3) Notwithstanding subsection (1)(c) or (e) or (2) of this section, an eligible business firm is a*
11 *qualified business firm under this section if:]*

12 *[(a) The firm is authorized under ORS 285C.140;]*

13 *[(b) The zone sponsor has taken the actions and the firm has satisfied the requirements specified*
14 *in section 2, chapter 39, Oregon Laws 2010; and]*

15 *[(c) The firm completes an investment of \$4 million or more in qualified property if it is in a rural*
16 *enterprise zone or \$8 million or more in qualified property if it is in an urban enterprise zone.]*

17 [(4)] (3) An authorized business firm that engages in both eligible and ineligible operations in
18 an enterprise zone and is an eligible business firm because of ORS 285C.135 (3) meets the quali-
19 fications of this section if:

20 (a) The eligible operations of the firm under ORS 285C.135 meet the qualifications of this sec-
21 tion; and

22 (b) The employees of the firm work a majority of their time in eligible operations within the
23 enterprise zone.

24 [(5)] (4) A business firm does not meet the qualifications of this section if the firm or any other
25 firm under common control closes or permanently curtails operations in another part of the state
26 more than 30 miles from the nearest boundary of the enterprise zone in which the firm seeks a
27 property tax exemption. This subsection applies to the transfer of any of the business firm's oper-
28 ations to an enterprise zone from another part of the state, if the closure or permanent curtailment
29 in the other part of the state diminished employment in the county and more local labor markets
30 after authorization and on or before December 31 of the first tax year for which any qualified
31 property of the firm in that zone would otherwise be exempt under ORS 285C.175.

32 [(6)] (5) An authorized business firm that moves any of its employees from a site or sites within
33 30 miles from the nearest boundary of the enterprise zone after authorization may meet the quali-
34 fications under this section if the employment of the firm has been increased within the zone and
35 at the site or sites from which the employees were transferred, no later than April 1 preceding the
36 first tax year for which qualified property of the firm is exempt under ORS 285C.175, to not less than
37 110 percent of the annual average employment of the firm within the zone and the site or sites from
38 which the employees were transferred, calculated over the 12 months preceding the date of appli-
39 cation for authorization.

40 [(7)] (6) For purposes of subsection (1)(f) of this section, the Oregon Business Development De-
41 partment shall adopt rules that define the effect of noncompliance on an eligible business firm's
42 continuing exemption in an enterprise zone and that indicate what is necessary to establish the
43 noncompliance in terms of materiality of the relevant violation, the finality of applicable legal or
44 regulatory proceedings and judgments involving the firm, the failure by the firm to perform or sub-
45 mit to remedial or curative actions and similar factors.

1 [(8)] (7) As used in this section:

2 (a) “Annual average employment of the firm” means the average employment of the firm, cal-
 3 culated over the 12 months preceding the date of application for authorization.

4 (b) Except as provided in subsection [(6)] (5) of this section, “employment of the firm” means:

5 (A) The number of employees working for the firm a majority of their time in eligible operations
 6 at locations within the enterprise zone; or

7 (B) In the case of a firm described in ORS 285C.135 (5)(b), the number of employees working a
 8 majority of their time at the facility in the enterprise zone for which authorization was obtained.

9 **SECTION 4.** ORS 285C.210, as amended by section 5, chapter 39, Oregon Laws 2010, is amended
 10 to read:

11 285C.210. (1) **Except as provided in subsection (3) of this section,** for purposes of ORS
 12 285C.175, 285C.200 and 285C.240, operations of a business firm are substantially curtailed when:

13 (a) The number of employees of the firm within the enterprise zone is reduced by more than 85
 14 percent from the highest number of employees of the firm within the enterprise zone;

15 (b) The number of employees of a firm within the enterprise zone has been reduced by more than
 16 50 percent from the highest number of employees of the firm within the enterprise zone for a period
 17 of time that is equal to or more than nine months; or

18 (c) The annual average number of employees within the enterprise zone during the first assess-
 19 ment year for which the exemption under ORS 285C.175 is granted, or any subsequent year in which
 20 an exemption is claimed, is reduced below the greater of:

21 (A) The annual average number of employees of the business firm within the enterprise zone,
 22 averaged over the 12 months preceding the date of the application for authorization, plus one em-
 23 ployee; or

24 (B) 110 percent of the annual average number of employees of the firm within the enterprise
 25 zone, averaged over the 12 months preceding the date of the application for authorization.

26 (2) For the purposes of this section:

27 (a) The number of employees of a firm within the enterprise zone is the employment of the firm,
 28 as defined in ORS 285C.200, on the earlier of the date a claim for exemption is filed under ORS
 29 285C.220 or April 1, of each assessment year for which an exemption under ORS 285C.175 is claimed,
 30 and for the year immediately following the last assessment year for which an exemption is claimed.

31 (b) Except as specified in subsection (1)(c) of this section, the annual average number of em-
 32 ployees of the firm is the number of firm employees within the enterprise zone averaged over each
 33 assessment year in which an exemption under ORS 285C.175 is allowed, using employment figures
 34 for no fewer than four equivalent periods during the year.

35 (c) For the first assessment year for which an authorized business firm that qualifies under ORS
 36 285C.200 [(6)] (5) claims an exemption under ORS 285C.175, substantial curtailment under subsection
 37 (1)(a) or (c) of this section shall be determined by:

38 (A) Combining the number of employees of the firm within the enterprise zone and the number
 39 of employees at all other sites of the firm within the area described in ORS 285C.200 [(6)] (5); and

40 (B) Combining the annual average number of employees of the firm within the enterprise zone
 41 with the annual average number of employees at any other site of the firm from which employees
 42 were transferred into the enterprise zone.

43 (3) *[Notwithstanding subsections (1) and (2) of this section, it is not a substantial curtailment of]*
 44 *Operations of a business firm [for purposes of ORS 285C.175, 285C.200 and 285C.240 if the sponsor*
 45 *of an enterprise zone has taken the actions and the firm has satisfied the requirements specified in]*

1 **are not substantially curtailed under this section during a period of suspension pursuant to**
 2 section 2, chapter 39, Oregon Laws 2010.

3 **SECTION 5.** ORS 285C.105, as amended by section 4, chapter 39, Oregon Laws 2010, is amended
 4 to read:

5 285C.105. (1) The sponsor of an enterprise zone shall:

6 (a) Appoint a local zone manager. Upon appointment of the local zone manager, the sponsor
 7 shall provide written notice thereof to the Oregon Business Development Department, the county
 8 assessor and the Department of Revenue.

9 (b) Provide enhanced local public services, local incentives and local regulatory flexibility in-
 10 cluded in the application for designation of the enterprise zone or in the resolution under ORS
 11 285C.115 (7) to authorized or qualified business firms and assist authorized or qualified business
 12 firms in using enhanced local public services, local incentives and local regulatory flexibility.

13 (c) Review and approve or deny applications for authorization under ORS 285C.140.

14 (d) Assist the county assessor in administering the property tax exemption and in performing
 15 other duties assigned to the assessor under ORS 285C.050 to 285C.250.

16 (e) Maintain, implement and periodically update a plan for marketing the enterprise zone in-
 17 cluding strategies for retention, expansion, start-up and recruitment of eligible business firms.

18 (f) Manage the enterprise zone in accordance with ORS 285C.050 to 285C.250.

19 (g) Identify property available for sale or lease to eligible business firms under ORS 285C.110.

20 (h) Prepare indices of street addresses, tax lot numbers or other information to facilitate the
 21 identification of land inside of an urban enterprise zone.

22 (i) Provide written notice to the county assessor, the Department of Revenue, the Oregon Busi-
 23 ness Development Department and any relevant publicly funded job training provider of the condi-
 24 tions and policies adopted or normally sought by the sponsor under ORS 285C.150, 285C.155 or
 25 285C.160 [*or section 2, chapter 39, Oregon Laws 2010,*] and take the actions necessary to implement
 26 and enforce the conditions and policies and any other reasonable requirements imposed pursuant to
 27 ORS 285C.155 or 285C.160 [*or section 2, chapter 39, Oregon Laws 2010*].

28 (j) Conduct, or assist in conducting, annual reporting of enterprise zone activity or effort, if re-
 29 quested by the county assessor or the Oregon Business Development Department.

30 (2) If more than one city, county or port sponsors an enterprise zone, the jurisdictions shall act
 31 jointly in performing the duties imposed on a sponsor under ORS 285C.050 to 285C.250.

32 **SECTION 6. Nothing in this 2011 Act may be construed to disqualify from exemption**
 33 **property of a business firm that complies with resolutions adopted before August 31, 2010,**
 34 **pursuant to chapter 39, Oregon Laws 2010.**

35 **SECTION 7. The amendments to ORS 285C.105, 285C.175, 285C.200 and 285C.210 and sec-**
 36 **tion 2, chapter 39, Oregon Laws 2010, by sections 1 to 5 of this 2011 Act apply to property tax**
 37 **years beginning on or after July 1, 2009.**

38 **SECTION 8.** ORS 285C.140 is amended to read:

39 285C.140. (1)(a) Any eligible business firm seeking to have property exempt from property taxa-
 40 tion under ORS 285C.175 shall, before the commencement of direct site preparation activities or the
 41 construction, addition, modification or installation of qualified property in an enterprise zone, and
 42 before the hiring of eligible employees, apply for authorization under this section.

43 (b) The application shall be made on a form prescribed by the Department of Revenue and the
 44 Oregon Business Development Department.

45 (c) The application shall be filed with the sponsor of the zone. A sponsor may require that the

1 application filed with the sponsor be accompanied by a filing fee. If required, the filing fee may not
2 exceed the greater of \$200 or one-tenth of one percent of the value of the investment in qualified
3 property that is proposed in the application for authorization. The filing fee may be required for the
4 filing of applications only after the sponsor adopts a policy, consistent with Oregon Business De-
5 velopment Department rules, authorizing the imposition of the filing fee.

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

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

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

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

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

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

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

22 (g) Any other information considered necessary by the Department of Revenue and the Oregon
23 Business Development Department.

24 (3) After an application is submitted to a sponsor, the business firm may revise or amend the
25 application. An amendment or revision may not be made on or after January 1 of the first assess-
26 ment year for which the qualified property associated with the application is exempt under ORS
27 285C.175.

28 (4) If an application for authorization appears to be complete and the proposed investment ap-
29 pears to be eligible for authorization, the sponsor and the business firm shall conduct a preauthori-
30 zation *[consultation]* **conference**. The *[county]* assessor **of the county in which the property will**
31 **be located** shall be timely notified and have the option to participate in the *[consultation]* **confer-**
32 **ence**. The *[consultation]* **conference** shall:

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

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

37 (c) *[Identify]* **Assign** the person *[who is]* obligated to notify the county assessor if requirements
38 are not being satisfied.

39 (5) Upon completion of the *[consultation]* **preauthorization conference required under sub-**
40 **section (4) of this section**, the sponsor shall prepare a written summary of the *[consultation made*
41 *under subsection (4) of this section]* **conference**, attach the summary to the application and forward
42 the application to the county assessor *[of each county in which the zone is located]* for review *[by the*
43 *assessor]*.

44 (6) Following the preauthorization conference under subsection (4) of this section, the sponsor
45 and the county assessor shall authorize the business firm by approving the application, if the spon-

1 sor and county assessor determine that:

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

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

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

12 (8) The approval of both the sponsor and the county assessor under this section shall be prima
13 facie evidence that the qualified property of the business firm will receive the property tax ex-
14 emption under ORS 285C.175. In approving the application, the sponsor and county assessor shall
15 provide proof of approval as directed by the Oregon Business Development Department.

16 (9) If the sponsor or county assessor fails or refuses to authorize the business firm, the business
17 firm may appeal to the Oregon Tax Court under ORS 305.404 to 305.560. The business firm shall
18 provide copies of the firm's appeal to the sponsor, county assessor, the Department of Revenue and
19 the Oregon Business Development Department.

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

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

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

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

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

36 **SECTION 9. ORS 285C.066 and 285C.067 are added to and made a part of ORS 285C.050 to**
37 **285C.250.**

38 **SECTION 10. ORS 285C.195 is repealed.**

39 **SECTION 11. This 2011 Act takes effect on the 91st day after the date on which the 2011**
40 **session of the Seventy-sixth Legislative Assembly adjourns sine die.**