

HB 3017-2  
(LC 1971)  
3/16/11 (ASD/ps)

**PROPOSED AMENDMENTS TO  
HOUSE BILL 3017**

1 In line 2 of the printed bill, after the semicolon delete the rest of the line  
2 and insert "creating new provisions; amending ORS 285C.200, 285C.255 and  
3 285C.406; and prescribing an effective date."

4 After line 3, insert:

5 **"SECTION 1. Section 2 of this 2011 Act is added to and made a part**  
6 **of ORS 285C.050 to 285C.250.**

7 **"SECTION 2. (1) The qualified property of an authorized business**  
8 **firm may be exempt from property taxation under ORS 285C.175 only**  
9 **if the firm pays wages at a rate not less than the prevailing rate of**  
10 **wage as defined in ORS 279C.800.**

11 **"(2) An authorized business firm shall submit the certified wage**  
12 **statement described in subsection (3) of this section once a month, by**  
13 **the fifth business day of the following month, to:**

14 **"(a) The sponsor of the enterprise zone in which the qualified**  
15 **property is located; or**

16 **"(b) If the qualified property is not located in an enterprise zone,**  
17 **the assessor of the county in which the qualified property is located.**

18 **"(3)(a) A certified wage statement submittal required under sub-**  
19 **section (2) of this section must be on a form prescribed by the Com-**  
20 **missioner of the Bureau of Labor and Industries and must set out**  
21 **accurately and completely the payroll records of the authorized busi-**  
22 **ness firm in connection with the qualified property, including the**

1 name and address of each employee, the employee's correct classi-  
2 fication, rate of pay, daily and weekly number of hours worked and  
3 the gross wages the employee earned, in connection with the qualified  
4 property, during each week identified in the certified wage statement.

5 "(b) A representative of the authorized business firm must attest  
6 by oath in each certified wage statement that the representative has  
7 read and knows the contents of the certified wage statement and that  
8 to the representative's knowledge the certified wage statement is true.

9 "(4)(a) Information that is submitted on a certified wage statement  
10 may not be used for any purpose other than to determine the eligibil-  
11 ity of qualified property for exemption from property taxation under  
12 ORS 285C.175.

13 "(b) The authorized business firm shall maintain a copy of each  
14 certified wage statement for a period of three years from the date on  
15 which the certified wage statement is submitted.

16 "(c) Certified wage statements received by a zone sponsor or county  
17 assessor are public records subject to the provisions of ORS 192.410 to  
18 192.505.

19 "SECTION 3. ORS 285C.200, as amended by section 3, chapter 39, Oregon  
20 Laws 2010, is amended to read:

21 "285C.200. (1) The qualified property of an authorized business firm may  
22 be exempt from property taxation under ORS 285C.175 only if the firm meets  
23 the following qualifications:

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

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

28 "(c) The employment of the firm, no later than the date the exemption is  
29 claimed under ORS 285C.220 or April 1 following the year in which the in-  
30 vestment in qualified property is made, whichever is earlier, is not less than

1 the greater of:

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

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

4 “(d) The firm does not diminish employment outside the enterprise zone  
5 as described in subsections (5) and (6) of this section;

6 “(e) The firm does not substantially curtail operations within the enter-  
7 prise zone as described in ORS 285C.210; [and]

8 “(f) **The firm complies with the prevailing rate of wage and certified**  
9 **wage statement requirements under section 2 of this 2011 Act; and**

10 “[f)] (g) The firm complies in all material respects with local, Oregon and  
11 federal laws applicable to the firm’s operations inside the enterprise zone  
12 since the application for authorization and throughout the period of ex-  
13 emption, as prescribed by rule.

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

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

19 “(b)(A) The firm completes an investment of \$25 million or more in qual-  
20 ified property; or

21 “(B) The firm fulfills the requirements of ORS 285C.205 and the employ-  
22 ment of the firm does not decrease below the annual average employment of  
23 the firm.

24 “(3) Notwithstanding subsection (1)(c) or (e) or (2) of this section, an eli-  
25 gible business firm is a qualified business firm under this section if:

26 “(a) The firm is authorized under ORS 285C.140;

27 “(b) The zone sponsor has taken the actions and the firm has satisfied the  
28 requirements specified in section 2, chapter 39, Oregon Laws 2010; and

29 “(c) The firm completes an investment of \$4 million or more in qualified  
30 property if it is in a rural enterprise zone or \$8 million or more in qualified

1 property if it is in an urban enterprise zone.

2 “(4) An authorized business firm that engages in both eligible and ineli-  
3 gible operations in an enterprise zone and is an eligible business firm be-  
4 cause of ORS 285C.135 (3) meets the qualifications of this section if:

5 “(a) The eligible operations of the firm under ORS 285C.135 meet the  
6 qualifications of this section; and

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

9 “(5) A business firm does not meet the qualifications of this section if the  
10 firm or any other firm under common control closes or permanently curtails  
11 operations in another part of the state more than 30 miles from the nearest  
12 boundary of the enterprise zone in which the firm seeks a property tax ex-  
13 emption. This subsection applies to the transfer of any of the business firm’s  
14 operations to an enterprise zone from another part of the state, if the closure  
15 or permanent curtailment in the other part of the state diminished employ-  
16 ment in the county and more local labor markets after authorization and on  
17 or before December 31 of the first tax year for which any qualified property  
18 of the firm in that zone would otherwise be exempt under ORS 285C.175.

19 “(6) An authorized business firm that moves any of its employees from a  
20 site or sites within 30 miles from the nearest boundary of the enterprise zone  
21 after authorization may meet the qualifications under this section if the  
22 employment of the firm has been increased within the zone and at the site  
23 or sites from which the employees were transferred, no later than April 1  
24 preceding the first tax year for which qualified property of the firm is exempt  
25 under ORS 285C.175, to not less than 110 percent of the annual average em-  
26 ployment of the firm within the zone and the site or sites from which the  
27 employees were transferred, calculated over the 12 months preceding the date  
28 of application for authorization.

29 “(7) For purposes of subsection [(1)(f)] (1)(g) of this section, the Oregon  
30 Business Development Department shall adopt rules that define the effect of

1 noncompliance on an eligible business firm's continuing exemption in an  
2 enterprise zone and that indicate what is necessary to establish the non-  
3 compliance in terms of materiality of the relevant violation, the finality of  
4 applicable legal or regulatory proceedings and judgments involving the firm,  
5 the failure by the firm to perform or submit to remedial or curative actions  
6 and similar factors.

7 "(8) As used in this section:

8 "(a) 'Annual average employment of the firm' means the average employ-  
9 ment of the firm, calculated over the 12 months preceding the date of appli-  
10 cation for authorization.

11 "(b) Except as provided in subsection (6) of this section, 'employment of  
12 the firm' means:

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

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

18 In line 4, delete "1" and insert "4".

19 In line 18, delete "2" and insert "5".

20 After line 27, insert:

21 **"SECTION 6. Section 2 of this 2011 Act and the amendments to ORS**  
22 **285C.200 by section 3 of this 2011 Act apply to property tax years be-**  
23 **ginning on or after July 1, 2012.**

24 **"SECTION 7. This 2011 Act takes effect on the 91st day after the**  
25 **date on which the 2011 regular session of the Seventy-sixth Legislative**  
26 **Assembly adjourns sine die."**

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