

# Enrolled House Bill 4093

Sponsored by Representative HANNA, Senator HASS; Representatives BARKER, BARNHART, BOONE, HUFFMAN, READ, ROBLAN, WAND, WHISNANT, Senators ATKINSON, DEVLIN, JOHNSON (Presession filed.)

CHAPTER .....

## AN ACT

Relating to extension of enterprise zones; creating new provisions; amending ORS 285C.080, 285C.090 and 285C.250; and prescribing an effective date.

### Be It Enacted by the People of the State of Oregon:

**SECTION 1.** ORS 285C.080 is amended to read:

285C.080. (1) As provided in ORS 285C.065 and 285C.075, the Director of the Oregon Business Development Department may approve the designation of:

- (a) Up to [17] **20** areas as rural enterprise zones; and
- (b) Up to [10] **15** areas as urban or rural enterprise zones.

(2) Areas designated as enterprise zones under this section [*shall be*] **are** in addition to the 30 areas designated or redesignated as enterprise zones by order of the Governor under ORS 284.160 (1987 Replacement Part) before October 3, 1989, areas redesignated under ORS 285C.250, areas designated under ORS 285C.085 and areas designated under ORS 285C.306.

**SECTION 2.** ORS 285C.090 is amended to read:

285C.090. (1) A proposed enterprise zone must be located in a local area in which:

- (a) Fifty percent or more of the households have incomes below 80 percent of the median income of this state, as defined by the most recent federal decennial census;
- (b) The unemployment rate is at least 2.0 percentage points greater than the comparable unemployment rate for this entire state, as defined by the most recently available data published or officially provided and verified by the United States Government, the Employment Department [*of this state*], the Portland State University Population Research Center or special studies conducted under a contract with a regional academic institution; or

(c) The Oregon Business Development Department determines on a case-by-case basis using evidence provided by the cities, counties or ports applying for designation of the proposed enterprise zone that there exists a level of economic hardship at least as severe as that described in paragraph (a) or (b) of this subsection. The evidence [*shall*] **must** be based on the most recently available data from official sources and may include[, *but is not limited to,*] a contemporary decline of the population in the proposed enterprise zone, the percentage of persons in the proposed enterprise zone below the poverty level relative to the percentage of the entire population of this state below the poverty level or the unemployment rate for the county or counties in which the proposed enterprise zone is located.

(2)(a) An **urban** enterprise zone [*must*] **may** consist of a total area of not more than 12 square miles in size.

**(b) A rural enterprise zone may consist of a total area of not more than 15 square miles in size.**

**(c) For purposes of this subsection, the area of the zone [shall] must be calculated by excluding that portion of the zone that lies below the ordinary high water mark of a navigable body of water.**

(3) Except as provided in subsection (4) of this section:

(a) An **urban** enterprise zone must have 12 miles or less, **and a rural enterprise zone must have 15 miles or less**, as the greatest distance between any two points within the zone; and

(b) Unconnected areas of an enterprise zone may not be more than five miles apart.

(4) Unconnected areas of a rural enterprise zone may not be more than 15 miles apart when an unconnected area is entirely within a sparsely populated county, and the zone:

(a) Must have 20 miles or less as the greatest distance between any two points within the zone, if only a portion of the zone is contained within a sparsely populated county; or

(b) Must have 25 miles or less as the greatest distance between any two points within the zone, if the zone is entirely contained within a sparsely populated county.

(5) This section does not apply to the designation or redesignation of a reservation enterprise zone or a reservation partnership zone.

**SECTION 3.** ORS 285C.250 is amended to read:

285C.250. (1) Within a reasonable period of time prior to the termination of enterprise zones under ORS 285C.245 (2), the Director of the Oregon Business Development Department shall competitively designate the same number of enterprise zones effective immediately after termination of the previous enterprise zones. The determination by the director as to the areas designated as enterprise zones shall be final.

(2)(a) When an enterprise zone is terminated under ORS 285C.245 (4) to (6), the director may competitively designate a new enterprise zone.

**(b) The sponsor of [the] an enterprise zone terminated under ORS 285C.245 (4) or (5) is not eligible to apply for a new enterprise zone[, except] for a period not to exceed 10 years after the zone is terminated.**

**(c) Paragraph (b) of this subsection does not apply to a county government when the terminated zone was also jointly sponsored by one or more cities or ports.**

(3) Sponsors of existing enterprise zones that are due to terminate may reapply for designation under subsection (1) of this section.

(4) Any city, county or port may apply to the director for designation of an enterprise zone in accordance with the criteria set forth in ORS 285C.065 and 285C.090. In addition, the Oregon Business Development Department by rule shall determine the minimum level of economic hardship in any area to be included within an enterprise zone, any other criteria necessary to evaluate the need for the enterprise zone and the potential for accomplishing the purposes of ORS 285C.050 to 285C.250.

(5) All enterprise zones designated under this section shall terminate in accordance with ORS 285C.245 (2).

(6) When the director designates enterprise zones under this section, there is no limit on the relative number of urban or rural enterprise zones designated.

(7) The director may determine when to accept applications for any enterprise zone that terminates under subsection (2) of this section or is not designated under subsection (1) of this section for lack of qualified applicants.

**SECTION 4.** (1) **A report must be filed in the manner prescribed under subsection (2) of this section by each sponsor, as defined in ORS 285C.050, with respect to each:**

**(a) New enterprise zone designated pursuant to the amendments to ORS 285C.080 by section 1 of this 2012 Act; and**

**(b) Application to expand the area of a rural enterprise zone pursuant to the amendments to ORS 285C.090 by section 2 of this 2012 Act.**

**(2) A report required under subsection (1) of this section must:**

(a) Describe the economic benefits of the applicable amendments to ORS 285C.080 and 285C.090 by sections 1 and 2 of this 2012 Act; and

(b) Be submitted to the interim committees of the Legislative Assembly related to revenue as provided in ORS 192.245 on or before January 31, 2013.

(3) The Oregon Business Development Department and the Department of Revenue may assist sponsors in preparing the reports.

**SECTION 5.** The amendments to ORS 285C.090 by section 2 of this 2012 Act apply to enterprise zones designated before, on or after the effective date of this 2012 Act.

**SECTION 6.** This 2012 Act takes effect on the 91st day after the date on which the 2012 regular session of the Seventy-sixth Legislative Assembly adjourns sine die.

**Passed by House February 27, 2012**

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Ramona Kenady Line, Chief Clerk of House

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Bruce Hanna, Speaker of House

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Arnie Roblan, Speaker of House

**Passed by Senate March 1, 2012**

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Peter Courtney, President of Senate

**Received by Governor:**

.....M,....., 2012

**Approved:**

.....M,....., 2012

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John Kitzhaber, Governor

**Filed in Office of Secretary of State:**

.....M,....., 2012

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Kate Brown, Secretary of State