

A-Engrossed
House Bill 4093

Ordered by the House February 24
Including House Amendments dated February 24

Sponsored by Representative HANNA; Representatives HUFFMAN, WAND, WHISNANT, Senator ATKINSON
(Presession filed.)

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.

Increases number of enterprise zones that may be designated and maximum area of **rural** enterprise zone. **Requires enterprise zones designated or expanded because of such increases to submit report to interim committee of Legislative Assembly related to revenue.**

[Increases number of enterprise zones that may be designated for electronic commerce.]

[Increases additional tax years during which qualified property in enterprise zone may be exempt from taxation.]

Specifies that prohibition against sponsor of terminated enterprise zone applying for new enterprise zone is for period not to exceed 10 years after zone is terminated.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to extension of enterprise zones; creating new provisions; amending ORS 285C.080, 285C.090
3 and 285C.250; and prescribing an effective date.

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

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

6 285C.080. (1) As provided in ORS 285C.065 and 285C.075, the Director of the Oregon Business
7 Development Department may approve the designation of:

8 (a) Up to [17] **20** areas as rural enterprise zones; and

9 (b) Up to [10] **15** areas as urban or rural enterprise zones.

10 (2) Areas designated as enterprise zones under this section [*shall be*] **are** in addition to the 30
11 areas designated or redesignated as enterprise zones by order of the Governor under ORS 284.160
12 (1987 Replacement Part) before October 3, 1989, areas redesignated under ORS 285C.250, areas des-
13 igned under ORS 285C.085 and areas designated under ORS 285C.306.

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

15 285C.090. (1) A proposed enterprise zone must be located in a local area in which:

16 (a) Fifty percent or more of the households have incomes below 80 percent of the median income
17 of this state, as defined by the most recent federal decennial census;

18 (b) The unemployment rate is at least 2.0 percentage points greater than the comparable unem-
19 ployment rate for this entire state, as defined by the most recently available data published or offi-
20 cially provided and verified by the United States Government, the Employment Department [*of this*
21 *state*], the Portland State University Population Research Center or special studies conducted under
22 a contract with a regional academic institution; or

23 (c) The Oregon Business Development Department determines on a case-by-case basis using ev-

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 idence provided by the cities, counties or ports applying for designation of the proposed enterprise
 2 zone that there exists a level of economic hardship at least as severe as that described in paragraph
 3 (a) or (b) of this subsection. The evidence *[shall]* **must** be based on the most recently available data
 4 from official sources and may include¹, *but is not limited to,* a contemporary decline of the popu-
 5 lation in the proposed enterprise zone, the percentage of persons in the proposed enterprise zone
 6 below the poverty level relative to the percentage of the entire population of this state below the
 7 poverty level or the unemployment rate for the county or counties in which the proposed enterprise
 8 zone is located.

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

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

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

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

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

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

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

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

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

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

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

29 285C.250. (1) Within a reasonable period of time prior to the termination of enterprise zones
 30 under ORS 285C.245 (2), the Director of the Oregon Business Development Department shall
 31 competitively designate the same number of enterprise zones effective immediately after termination
 32 of the previous enterprise zones. The determination by the director as to the areas designated as
 33 enterprise zones shall be final.

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

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

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

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

43 (4) Any city, county or port may apply to the director for designation of an enterprise zone in
 44 accordance with the criteria set forth in ORS 285C.065 and 285C.090. In addition, the Oregon Busi-
 45 ness Development Department by rule shall determine the minimum level of economic hardship in

1 any area to be included within an enterprise zone, any other criteria necessary to evaluate the need
2 for the enterprise zone and the potential for accomplishing the purposes of ORS 285C.050 to
3 285C.250.

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

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

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

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

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

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

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

18 (a) Describe the economic benefits of the applicable amendments to ORS 285C.080 and
19 285C.090 by sections 1 and 2 of this 2012 Act; and

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

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

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

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

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