

# SB 19

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Strategic Investment Program Rural Area Definition

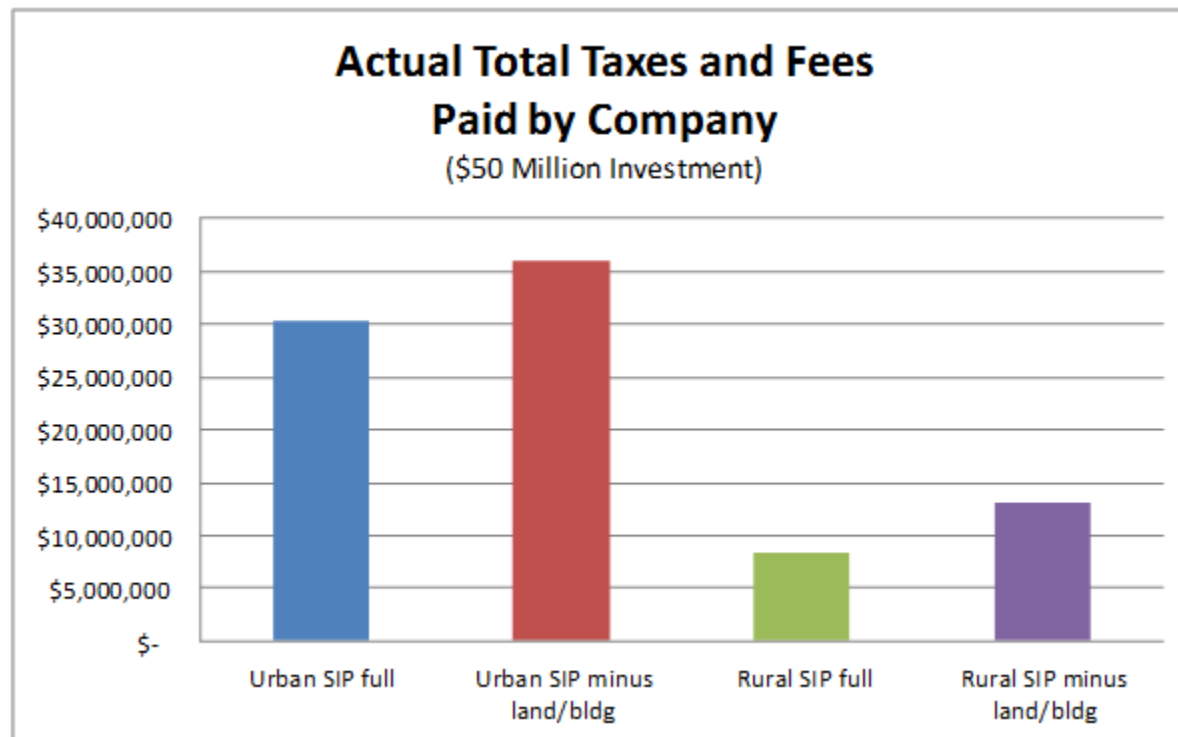
# Strategic Investment Program

- 15-year property tax abatement
- Traded-sector development
- Caps assessed value
  - “urban” = \$100 million
  - “rural” = \$25 million
- **ORS 285C.600 (5)** - “Rural area” means an area located entirely outside of the urban growth boundary of a city with a population of 30,000 or more, as the urban growth boundary is acknowledged on December 1, 2002.

# Problem

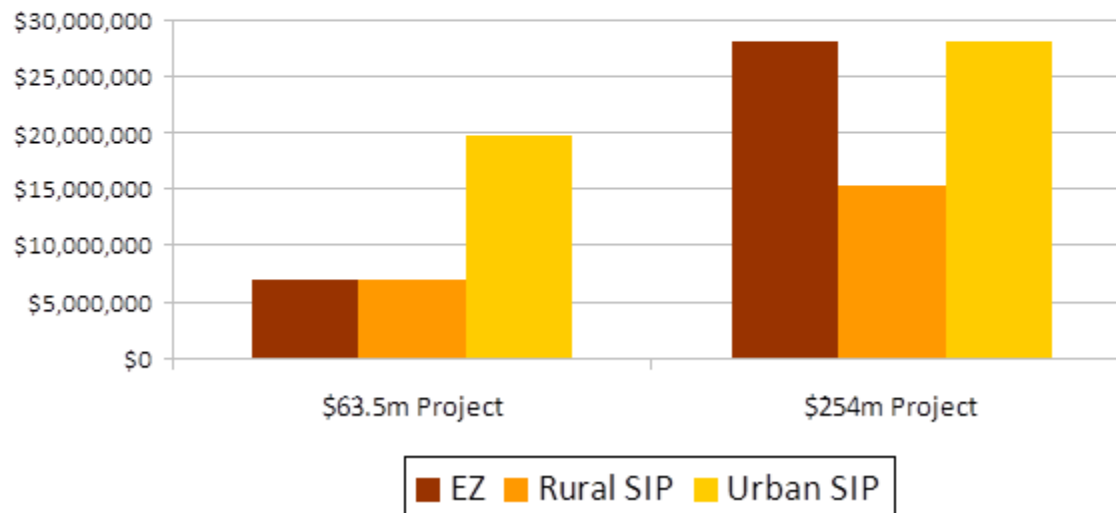
- Treats properties with similar attributes differently
- Creates disparities among jurisdictions and property owners
- Harder to attract economic development to brownfield sites
- Truly rural parts of the State have to compete directly with urban areas for economic development
- Different rural area definition than Enterprise Zone
- Expands SIP in urban areas to lower value projects

# Inequity



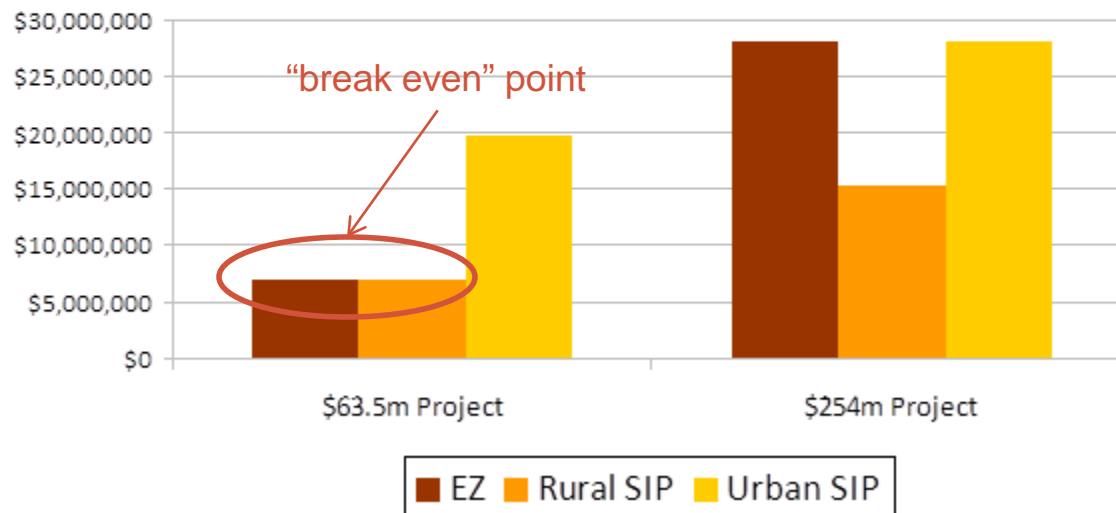
# Expands SIP

**Actual Total Taxes and Fees  
Paid by Company**  
(net present value)



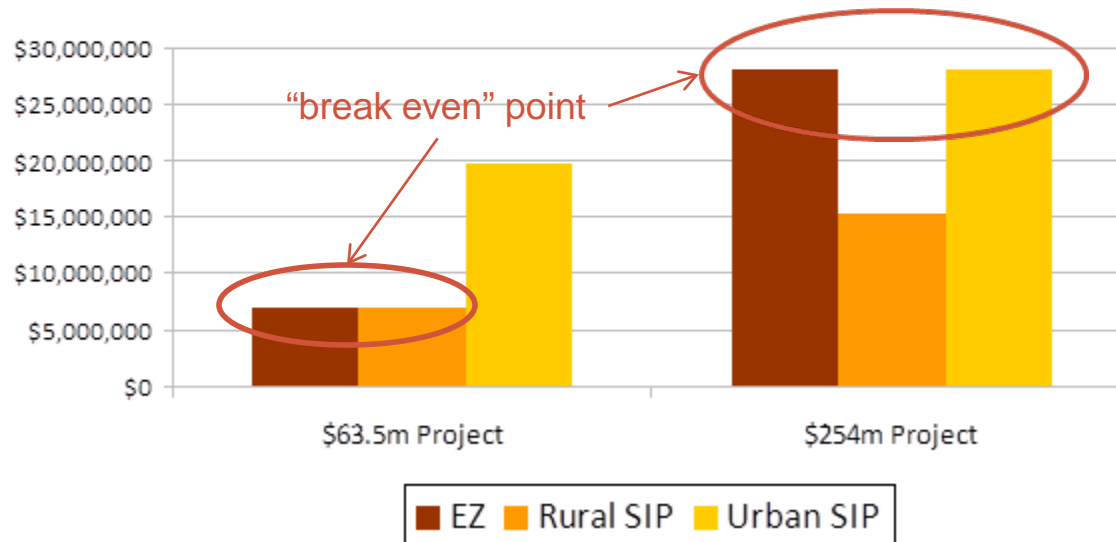
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# Urban or Rural?

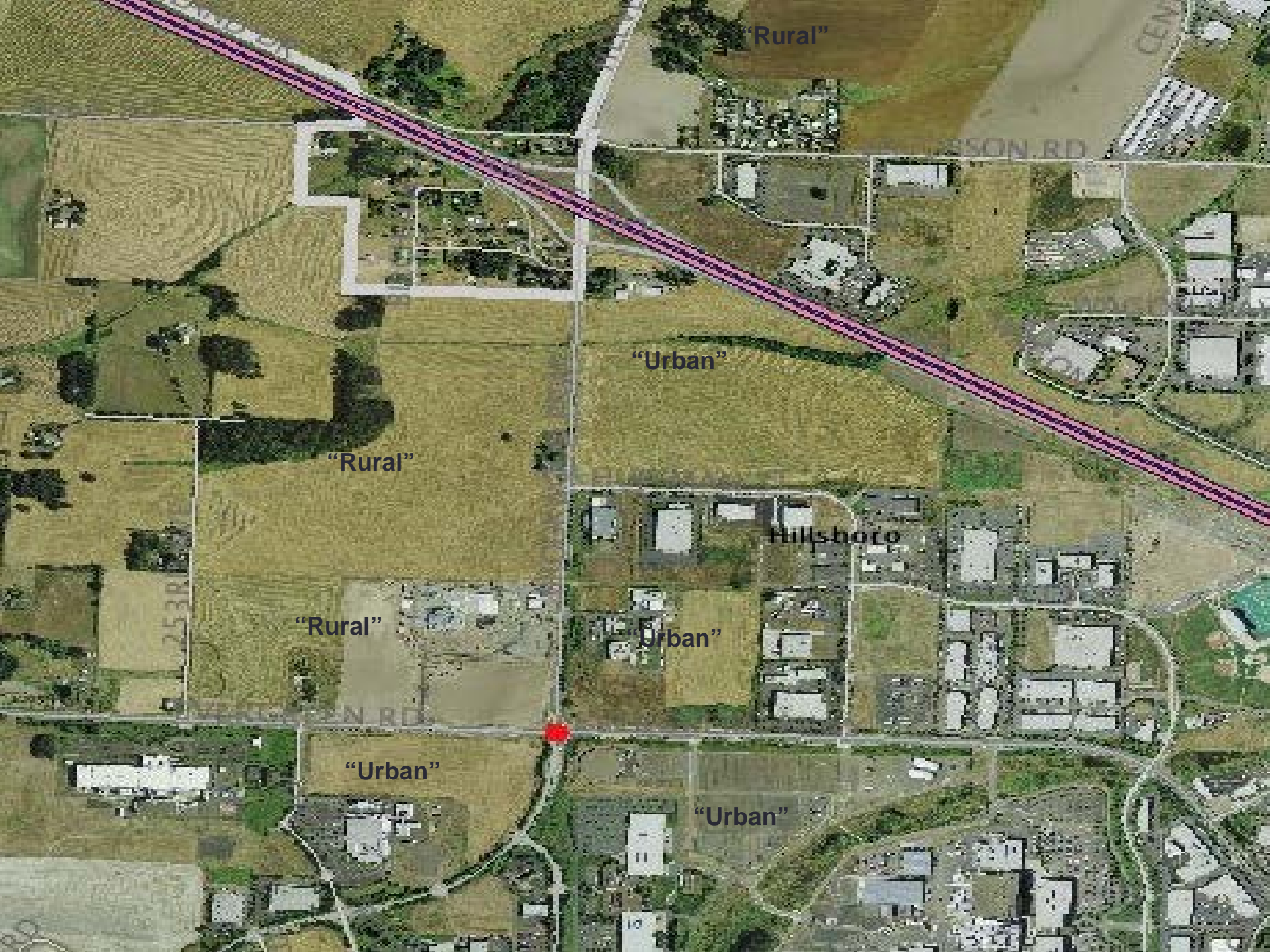












"Rural"

HILLSDALE RD

CENTRAL RD

"Urban"

"Rural"

"Rural"

Hillsboro

"Urban"

HILLSDALE RD

"Urban"

"Urban"

253R

# Solution

- “Rural area” means an area located entirely outside of the urban growth boundary of a city with a population of 30,000 or more, as the urban growth boundary is acknowledged [*on December 1, 2002.*]:
  - (a) On the date on which an applicant submits an application, pursuant to rules adopted by the Oregon Business Development Department, for property tax exemption under ORS 307.123; or**
  - (b) On December 1, 2002, with respect to a strategic investment zone designated on or before December 31, 2012, or a parcel of land on which an eligible project is located on December 31, 2012.**