

A-Engrossed
House Bill 2981

Ordered by the House April 11
Including House Amendments dated April 11

Sponsored by Representatives MCLANE, BAILEY; Representatives BENTZ, BOONE, DEMBROW, DOHERTY, GORSEK, HUFFMAN, JOHNSON, PARRISH, READ, VEGA PEDERSON, Senators BEYER, 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.

Allows exception to employment requirements for rural renewable energy development zone exemption from property taxation[, and extension of exemption,] if provided for in resolution of zone sponsor and business firm makes certain minimum investment in qualified property.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to rural renewable energy development zones; creating new provisions; amending ORS
3 285C.362; and prescribing an effective date.

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

5 **SECTION 1.** ORS 285C.362 is amended to read:

6 285C.362. (1) Property of an authorized business firm is exempt from ad valorem property tax-
7 tion if:

8 (a) The property is qualified property under ORS 285C.359;

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

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

11 **(2) Notwithstanding subsection (1)(b) of this section, property that otherwise qualifies**
12 **under subsection (1) of this section is exempt from ad valorem property taxation if:**

13 **(a) At the time the zone sponsor approves the application of the firm for authorization**
14 **pursuant to ORS 285C.356, the governing body of the zone sponsor adopts a resolution waiv-**
15 **ing the requirements of ORS 285C.200 (1)(c) and (e) with respect to the application; and**

16 **(b) The firm completes an investment of \$5 million or more in qualified property.**

17 [(2)(a)] **(3)(a)** Property described in subsection (1) **or (2)** of this section is exempt from ad
18 valorem property taxation only to the extent the real market value of the property, when added to
19 the real market value of all other property in the rural renewable energy development zone that has
20 received an exemption under this section, is less than the exemption authorization level established
21 for the zone under ORS 285C.353 (4).

22 (b) For purposes of this subsection, real market value shall be determined as of the assessment
23 date for the first year that property is exempt under this section.

24 [(3)] **(4)** The exemption allowed under this section applies to the first tax year for which, as of
25 January 1 preceding the tax year, the qualified property is in service. The exemption shall continue
26 for the next two succeeding tax years if the property continues to be owned or leased by the busi-

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 ness firm, operated to generate renewable energy or to support or maintain renewable energy fa-
2 cilities, and located in the rural renewable energy development zone.

3 [(4)(a)] **(5)(a)** The [*property may be exempt from property taxation under this section*] **exemption**
4 **allowed under this section may continue** for up to two additional tax years consecutively fol-
5 lowing the tax years described in subsection [(3)] **(4)** of this section if authorized by a written
6 agreement entered into by the firm and the sponsor under ORS 285C.160.

7 (b) Notwithstanding ORS 285C.160, a contiguous county that applied for a rural renewable en-
8 ergy development zone designation may elect to not participate in a two-year extension of the ex-
9 emption under this subsection. The election shall be made by resolution of the governing body of the
10 contiguous county on or before execution of the written agreement between the firm and the sponsor
11 under ORS 285C.160.

12 **SECTION 2. The amendments to ORS 285C.362 by section 1 of this 2013 Act apply to ap-**
13 **plications filed pursuant to ORS 285C.356 on or after the effective date of this 2013 Act.**

14 **SECTION 3. This 2013 Act takes effect on the 91st day after the date on which the 2013**
15 **regular session of the Seventy-seventh Legislative Assembly adjourns sine die.**

16