

# Enrolled House Bill 2981

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

CHAPTER .....

AN ACT

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

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

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

285C.362. (1) Property of an authorized business firm is exempt from ad valorem property taxation if:

- (a) The property is qualified property under ORS 285C.359;
- (b) The firm meets the qualifications under ORS 285C.200; and
- (c) The firm has entered into a first-source hiring agreement under ORS 285C.215.

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

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

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

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

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

[(3)] (4) The exemption allowed under this section applies to the first tax year for which, as of January 1 preceding the tax year, the qualified property is in service. The exemption shall continue for the next two succeeding tax years if the property continues to be owned or leased by the business firm, operated to generate renewable energy or to support or maintain renewable energy facilities, and located in the rural renewable energy development zone.

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

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

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

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

**Passed by House May 15, 2013**

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Ramona J. Line, Chief Clerk of House

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Tina Kotek, Speaker of House

**Passed by Senate June 5, 2013**

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Peter Courtney, President of Senate

**Received by Governor:**

.....M,....., 2013

**Approved:**

.....M,....., 2013

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John Kitzhaber, Governor

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

.....M,....., 2013

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Kate Brown, Secretary of State