

**78TH OREGON LEGISLATIVE ASSEMBLY
2014 REGULAR SESSION
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE**

MEASURE: HB 4142 A
CARRIER: Rep. Vega Pederson

REVENUE: Revenue impact statement issued.

FISCAL: No fiscal impact.

Action: Do Pass as Amended and be Printed Engrossed

Vote: 7-2-0

Yeas: Bailey, Bentz, Berger, Gelser, Read, Vega Pederson, Barnhart

Nays: Conger, Davis

Exc.: 0

Prepared By: Christine Broniak, Economist

Meeting Dates: 2/5, 2/11

WHAT THE BILL DOES: Amends definition of "rural area" to mean area outside urban growth boundary as boundary is acknowledged on date on which application is submitted for Strategic investment program. Grandfathers current definition for current strategic investment zones and existing projects in the strategic investment program.

ISSUES DISCUSSED:

- Importance of rural economic development and the use of the SIP as tool.
- Inclusion of cities between 30,000 and 40,000 in population in rural SIP.

EFFECT OF COMMITTEE AMENDMENTS: Changes the requirement that a project eligible for the rural strategic investment program be outside the urban growth boundary of a city with 40,000 or more in population instead of 30,000 or more in population.

BACKGROUND: The strategic investment program exempts property value from taxation if investment is greater than \$100 million in urban areas or greater than \$25 million in rural areas. Currently, the definition of a rural area is one that is outside the urban growth boundary of a city of 30,000 people or less as of December 1, 2001. The measure would require a business to be outside an urban growth boundary of a city of 40,000 people or less at the time of application for the program to be considered for the rural strategic investment program.