

PRELIMINARY STAFF MEASURE SUMMARY

House Committee On Revenue

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

Action Date:

Action:

Meeting Dates: 04/27, 05/12

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WHAT THE MEASURE DOES:

Authorizes designation of enterprise zone, electronic commerce zone, electronic commerce city and reservation enterprise zone by zone sponsor or sponsors. Zone sponsor may be a city, county, port or tribal government. Designation of enterprise zone and boundary change of zone subject to determination by Oregon Business Development Department (OBDD) that certain statutory requirements are met. Requires submission of documentation to OBDD before designation, addition or change, and requires consultation with department. Eliminates numeric limit on number of enterprise zones that may be designated at any time. Lowers minimum cost requirement for qualified property used in electronic commerce outside zone for electronic commerce. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Procedures and administrative responsibilities that would go from state to local governments
- Analysis done by Business Oregon following local government submittal for designation
- Changes in minimum cost related to electronic commerce property
- Clarification on change in e-commerce personal property changes
- Requirements and process followed in becoming an e-commerce zone
- Reasons for no direct revenue impact from eliminating numeric limits on enterprise zone designations.

EFFECT OF COMMITTEE AMENDMENT:

A2

Removes provision lowering minimum cost requirement for qualified property used in electronic commerce outside zone for electronic commerce.

BACKGROUND:

Enterprise zones exempt qualifying businesses within a specified boundary from local property taxes on new investments. Enterprise zones may be sponsored by municipal or tribal governments, typically as a focal point for local economic development. According to the Oregon Business Development Department, there are currently 66 enterprise zones in Oregon, 53 in rural areas and 13 in urban areas. In addition to standard enterprise zones, there are additional designations, including: long-term rural enterprise zones, reservation zones, and electronic commerce zones.