

**Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session**  
**STAFF MEASURE SUMMARY**  
**House Committee On Transportation and Economic Development**

**MEASURE: HB 2643 A**

<b>Fiscal:</b>	Has minimal fiscal impact
<b>Revenue:</b>	Revenue impact issued
<b>Action Date:</b>	03/25/15
<b>Action:</b>	Do Pass With Amendments, Be Printed Engrossed And Be Referred To Revenue By Prior Reference.
<b>Meeting Dates:</b>	03/13, 03/25
<b>Vote:</b>	Yeas: 7 - Bentz, Davis, Gorsek, Hack, Lively, McKeown, McLain
<b>Prepared By:</b>	Patrick Brennan, Committee Administrator

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**WHAT THE MEASURE DOES:**

Authorizes the designation of enterprise zone for electronic commerce. Authorizes the addition of zone co-sponsors and of change of enterprise zone boundary without application process, subject to a determination by the Business Development Department that certain statutory requirements are met. Requires notification to, and consultation with, Department at least 60 days prior to designation, addition or change. Eliminates limit on number of enterprise zones that may be designated at any given time. Reduces the minimum cost requirement for qualified property used in electronic commerce outside the zone for electronic commerce. Takes effect on 91<sup>st</sup> day following adjournment sine die.

**ISSUES DISCUSSED:**

- Whether decisions about enterprise zones should be made at local or state level
- History of statutory cap on number of enterprise zones
- Oversight of enterprise zones

**EFFECT OF COMMITTEE AMENDMENT:**

Makes numerous technical changes and clarifications. Reinstates rulemaking authority for Oregon Business Development Department. Alters notice requirements. Clarifies that designation takes effect as soon as reasonable for pending business projects.

**BACKGROUND:**

Enterprise zones offer a unique resource to Oregon communities by exempting 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.

Several of Oregon's enterprise zones have received special status that allows for greater encouragement of electronic commerce, defined as engaging predominantly in transactions via the Internet or an Internet-based computer platform. Such transactions may include taking orders, closing sales, making purchases, providing customer service or undertaking other activities that serve the business' overall purpose.