

STAFF MEASURE SUMMARY

House Committee On Transportation and Economic Development

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

Action Date: 04/13/15

Action: Do Pass With Amendments, Be Printed Engrossed And Be Referred To Revenue By Prior Reference.

Meeting Dates: 02/16, 04/13

Vote:

Yeas: 7 - Bentz, Davis, Gorsek, Hack, Lively, McKeown, McLain

Prepared By: Patrick Brennan, Committee Administrator

WHAT THE MEASURE DOES:

Creates a tax credit for cleanup of brownfield property, applicable to tax years beginning on or after January 1, 2016 and before January 1, 2022. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Activities and efforts of the Brownfields Coalition
- Data on number and size of brownfields in Oregon
- Efforts to leverage funds allocated for cleanup efforts
- Examples of successful brownfield reclamation projects
- Benefits to distressed neighborhoods when brownfield sites are cleaned up
- Industrial development inside and outside of urban growth boundaries

EFFECT OF COMMITTEE AMENDMENT:

Replaces the original measure.

BACKGROUND:

The term “brownfield” refers to a vacant or underutilized property where actual or perceived environmental contamination complicates the process for expansion or redevelopment of the property. The risks and costs associated with cleanup of a brownfield property deter potential developers, creating a barrier to community revitalization and economic development. There are an estimated 13,500 brownfields in Oregon, of which only 35 percent have been assessed or worked on; 76 percent of these sites are located within an urban growth boundary, and 54 percent are located in economically distressed areas. There are currently about 450 active remediation/reclamation projects involving brownfields within the state.

The Oregon Business Development Department (OBDD) undertook an assessment of impacts of public investment in brownfield remediation in Oregon in 2013. The project involved 92 study sites, for which short-term and long-term economic impacts were studied and compiled. The study indicated that investment in brownfield redevelopment can generate significant return on investment through property taxes, job creation and business recruitment, expansion and retention.