

STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

**Fiscal:** Has minimal fiscal impact

**Revenue:** Revenue impact issued

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**Action Date:** 06/18/15

**Action:** Do Pass The B-Eng Bill.

**Meeting Dates:** 06/08, 06/18

**Vote:**

Yeas: 4 - Baertschiger Jr, Boquist, Hass, Riley

Exc: 1 - Edwards

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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. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Recent increases in number of enterprise zones
- Possibility of de facto "statewide" enterprise zone
- Ensuring enterprise zones not located in unneeded areas
- Avoiding local governments relinquishing tax revenue and subsequently asking state to backfill
- Focusing on depressed areas, not just responding to business desires to locate in particular areas and establishing zone in response
- Background on how bill became B version, satisfaction of legislative sponsor in changes
- Envisioned time needed in order to process and create new enterprise zone if measure's changes are enacted.

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**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.