

**STAFF MEASURE SUMMARY****House Committee On Revenue****Fiscal:** May have fiscal impact, but no statement yet issued**Revenue:** May have revenue impact, but no statement yet issued**Action Date:****Action:****Meeting Dates:****Vote:****Prepared By:** Mazen Malik, Senior Economist**WHAT THE MEASURE DOES:**

Authorizes certain local governments to adopt ordinance or resolution providing property tax incentive programs that grant special assessment to brownfields or exemption to new and existing improvements and personal property on brownfields for period of up to 10 years, with additional period up to five years based on locally adopted criteria. Caps dollar amount of benefits at specified eligible costs for property. Provides that ordinance or resolution becomes effective only if rates of taxation of taxing districts located within territory of local government whose governing boards agree to incentive programs, when combined with rate of local government adopting incentive programs, equal 51 percent or more of total combined rate of taxation within territory of local government. Provides that eligible costs equal discounted present value of estimated after-tax costs directly related to remaining work necessary to remove, contain or treat contamination of brownfield. Provides for clawback of property tax incentive program benefits upon disqualification for failure to comply with eligibility requirements or make reasonable progress on remediation or redevelopment or for misleading or false statements in application to participate in incentive programs. Sunsets authority to adopt ordinance or resolution on January 2, 2037. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:****EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

Last session bill HB 2734 which authorizes local government to established a Land Bank Authority. HB 2734 detailed the process of establishment, the propose and mechanism of governance for the LBA. It also provided for the legal terms of ownership, bonding authority and disillusion of the authority. this element dealing with property tax exemption and abetment was pulled from the bill since it had both technical and political problems that needed more work and resolution. This bill attempts to introduce a solution for those issues in order to complete the basis for the land Bank Authority.

As defined in ORS 285A.185, a "brownfield" is real property where expansion or redevelopment is complicated by actual or perceived environmental contamination. Brownfields must be cleaned up before they can be reused for jobs, housing, and other community needs.