

Overview of -A14 amendment to SB 1565A

- 1) Using requirements of enterprise zones as a guide:
 - a. Requires applicant to increase employment at the location applying to receive exemption by greater of 110% of annual average employment or annual average employment plus one employee
 - b. Prohibits applicant from closing or permanently curtailing operations at other locations located 30+ miles from location of site applying for exemption
 - c. For locations within 30 miles of site applying for exemption, prohibits applicant from closing or permanently curtailing operations at other locations unless employment at location applying for exemption increases proportionately to the losses at the other locations (i.e. - move workers from an existing location, to the new location, while still increasing overall employment when summing the two locations)
 - d. Requires applicant for exemption to enter into a "first-source hiring agreement"
 - e. Allows county/city to establish other reasonable conditions related to economic development at time of application
- 2) Changes sunset to 2024 from 2027
- 3) Changes initial cost of investment from \$1 million to \$2 million
- 4) To qualify for exemption, requires property to be located at an "eligible location". Eligible location is defined as land and improvements classified (for property tax reasons) as industrial with real market value (RMV) of at least \$1 million for the previous property tax year. This essentially requires property qualifying for exemption, to be placed on existing industrial property worth at least \$1 million (both land and improvements).
- 5) Include reporting requirement to be posted on Oregon Transparency Website. City/County will submit information listed below to Department of Revenue, who will then compile the information and subsequently submit to Department of Administrative Services for posting on OR transparency website in year following exemption.
 - a. Kind & value of qualified property | Owner name | RMV of property | Amount of tax that is not being imposed due to exemption | Years & exemption/deferral schedule | Copy of employment and other conditions established
- 6) Requires eligible property to be located in a rural area - defined as area located entirely outside of the urban growth boundary of a city with a population of 40,000 or more