

Fiscal: Has minimal fiscal impact
Revenue: No revenue impact, statement issued (Indeterminate Impact)

Action Date: 02/25/16

Action: Do Pass.

Meeting Dates: 02/24, 02/25

Vote:

Yeas: 5 - Baertschiger Jr, Boquist, Edwards, Hass, Riley

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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. Eliminates statutory citation that refers specifically to Portland Harbor; intent is for this exclusion to apply to all federal Superfund sites. Clarifies that tax incentives end when the sooner of these two events occurs (end of time period called for in local ordinance or resolution OR total tax benefit exceeds eligible cleanup costs). Changes threshold for agreement among taxing districts from 51% to 75%. Clarifies that owner who contributed to or exacerbated contamination is not eligible to participate in program. Authorizes county assessors to charge a fee to cover the work required to implement a property tax incentive program for brownfield cleanup. Clarifies that tax incentives are associated with the property rather than with the owner, and lays out requirements for new owner to continue to receive benefits after property changes hands. 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, 2027.

ISSUES DISCUSSED:

- The issues of brownfields and how many properties are affected.
- Solutions to different segments of the properties.
- The brownfields coalition and how important to offer solutions.
- Incentives and property tax treatment.

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

HB 2734 of last session (2015) authorizes local government to establish 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 introduce a second

option for the treatment of brownfields. This measure introduces a second tool that will help in resolving another segment of the block of properties which exist within the definition and the frozen statues of brownfields. 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.