

HB 2904 STAFF MEASURE SUMMARY

House Committee On Economic Development and Trade

Prepared By: Adam Crawford, LPRO Analyst

Sub-Referral To: House Committee On Revenue

Meeting Dates: 3/20

WHAT THE MEASURE DOES:

Allows an alternate eligibility certification method for rural enterprise zone facilities in counties outside of all metropolitan statistical areas. Takes effect on the 91st day after sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

BACKGROUND:

The long-term rural enterprise zone program offers a property tax abatement of seven to 15 years for facilities, rather than the standard three to five years. Any type of business activity is eligible, but these incentives depend on local approval and minimum levels for investment size, job creation and employee compensation. Under current law, one of the things necessary for certification of these types of facilities is that the facility is located in an area with chronically low income or chronic unemployment. With Oregon coming out of the Great Recession with a strong labor market and rising wages, some rural areas may soon no longer qualify for this tax abatement program.

House Bill 2904 provides an additional pathway for long-term rural enterprise facility tax abatement to allow local approval for rural enterprise zone facilities in counties outside of all metropolitan statistical areas.