

**HB 2833 STAFF MEASURE SUMMARY**  
**Senate Committee On Finance and Revenue**

**Carrier:** Sen. Boquist

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**Action Date:** 04/25/17  
**Action:** Do pass.  
**Vote:** 5-0-0-0  
**Yeas:** 5 - Boquist, DeBoer, Hass, Riley, Taylor  
**Fiscal:** Has minimal fiscal impact  
**Revenue:** Revenue impact issued  
**Prepared By:** Kyle Easton, Economist

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**WHAT THE MEASURE DOES:**

Makes technical corrections and clarifications in statutes governing exemption from taxes of property in enterprise zones. Clarifies that for business firms to continue qualifying for long term rural enterprise zone, average compensation at the qualified facility after initially meeting compensation threshold must equal or exceed 150 percent of the average wage in the county for the year in which the requirement was initially met. Takes effect on the 91st day after sine die.

**ISSUES DISCUSSED:**

- Statutory changes made by measure are technical and administrative in nature
- Change to long term rural compensation requirement not expected to affect companies currently receiving the exemption as all companies are meeting requirements as clarified by measure.

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Qualified real and personal property owned or leased and newly placed in service by a qualified business within an enterprise zone may qualify for property tax exemption for a specified number of years ranging from three to five years for the standard enterprise zone program or seven to fifteen years for the long term rural program. In some instances, income tax credits may be available.

The previous substantial technical/administrative changes to the enterprise zones statutes occurred in 2003 with House Bill 2299. Since that time, a number of potential flaws have been identified by court cases and operational practices. In response, the Oregon Business Development Department developed the changes contained in the introduced version of measure.