

Requested by HOUSE COMMITTEE ON REVENUE

**PROPOSED AMENDMENTS TO
HOUSE BILL 2904**

1 On page 1 of the printed bill, line 2, after “ORS” insert “285C.400 and”.

2 Delete lines 4 through 31 and delete page 2 and insert:

3 **“SECTION 1.** ORS 285C.400 is amended to read:

4 “285C.400. As used in ORS 285C.400 to 285C.420:

5 “(1) ‘Business firm’ has the meaning given that term in ORS 285C.050.

6 “(2) ‘Certified business firm’ means a business firm that has been certified
7 under ORS 285C.403.

8 “(3) ‘County with chronically low income or chronic unemployment’
9 means, based on the most recently revised annual average unemployment
10 rate or annual per capita income levels available, a county in which:

11 “(a) The median ratio of the per capita personal income of the county to
12 the equivalent annual personal income figure of the entire United States for
13 each year, as reported by the Bureau of Economic Analysis of the United
14 States Department of Commerce, is equal to or less than 0.75 over the last
15 10 years;

16 “(b) The median ratio of the unemployment rate of the county to the
17 equivalent rate of the entire United States for each year is at least 1.3 over
18 the last 20 years or over the last 10 years; or

19 “(c) The population of the county has experienced a negative net mi-
20 gration, irrespective of natural population change, since the most recent
21 federal decennial census occurring three or more years prior to the current

1 estimated population figure for the county, based on available population
2 statistics.

3 “(4) ‘Facility’ means the land, real property improvements and personal
4 property that are used:

5 “(a) At a location in a rural enterprise zone that is identified in the ap-
6 plication for certification under ORS 285C.403; and

7 “(b) In those business operations of the business firm that are the subject
8 of the application for certification under ORS 285C.403.

9 “(5) ‘Qualified rural county’ means a county:

10 “(a) That is outside all metropolitan statistical areas, as defined by
11 the most recent federal decennial census; and

12 “(b) In which, on the most recently certified property tax assess-
13 ment roll, the total property taxes imposed by all taxing districts
14 within the county are equal to or greater than 1.3 percent of the total
15 assessed value of all taxable property located in the county.

16 “[5] (6) ‘Rural enterprise zone’ has the meaning given that term in ORS
17 285C.050.

18 “**SECTION 2.** ORS 285C.403 is amended to read:

19 “285C.403. (1) Any business firm proposing to apply for the tax exemption
20 provided under ORS 285C.409 shall, before the commencement of construction
21 or installation of property or improvements at a location in a rural enter-
22 prise zone and before the hiring of employees, apply for certification with the
23 sponsor of the zone and with the county assessor of the county or counties
24 in which the zone is located. The application shall be made on a form pre-
25 scribed by the Department of Revenue.

26 “(2) The application shall contain the following information:

27 “(a) A description of the firm’s proposed business operations and facility
28 in the rural enterprise zone;

29 “(b) A description and estimated cost or value of the property or im-
30 provements to be constructed or installed at the facility;

1 “(c) An estimate of the number of employees at the facility that will be
2 hired by the firm;

3 “(d) A commitment to meet the applicable requirements of ORS 285C.412;

4 “(e) A commitment to satisfy all additional conditions agreed to pursuant
5 to the written agreement between the rural enterprise zone sponsor and the
6 business firm under subsection (3)(c) of this section; and

7 “(f) Any other information considered necessary by the Department of
8 Revenue.

9 “(3) The sponsor and the county assessor shall certify the business firm
10 by approving the application if the sponsor and the county assessor deter-
11 mine that all of the following requirements have been met:

12 “(a) The governing body of the county and city in which the facility is
13 located has adopted a resolution approving the property tax exemption for
14 the facility.

15 “(b) The business firm has committed to meet the applicable requirements
16 of ORS 285C.412.

17 “(c) The business firm has entered into a written agreement with the
18 sponsor of the rural enterprise zone that may include any additional re-
19 quirements that the sponsor may reasonably request, including but not lim-
20 ited to contributions for local services or infrastructure benefiting the
21 facility. The written agreement shall state the number of consecutive tax
22 years for which the facility, following commencement of operations, is to be
23 exempt from property tax under ORS 285C.409. The agreement may not pro-
24 vide for a period of exemption that is less than seven consecutive tax years
25 or more than 15 consecutive tax years. If the agreement is silent on the
26 number of tax years for which the facility is to be exempt following place-
27 ment in service, the exemption shall be for seven consecutive tax years.

28 “(d) **When the written agreement required under paragraph (c) of**
29 **this subsection is executed**, the facility is located in:

30 “(A) **A qualified rural county; or**

1 “(B) A county with chronically low income or chronic unemployment,
2 based on the most recently revised annual data available [*when the written*
3 *agreement with the zone sponsor is executed*].

4 “(4) The approval of an application by both the sponsor and the county
5 assessor under subsection (3) of this section shall be prima facie evidence
6 that the business firm will qualify for the property tax exemption under ORS
7 285C.409.

8 “(5) The sponsor and the county assessor shall provide copies of an ap-
9 proved application to the applicant, the Department of Revenue and the
10 Oregon Business Development Department.

11 “(6) If the sponsor or the county assessor fails or refuses to certify the
12 business firm, the business firm may appeal to the Oregon Tax Court under
13 ORS 305.404 to 305.560. The business firm shall provide copies of the firm’s
14 appeal to the sponsor, the county assessor, the Oregon Business Development
15 Department and the Department of Revenue.

16 “**SECTION 3. This 2017 Act takes effect on the 91st day after the**
17 **date on which the 2017 regular session of the Seventy-ninth Legislative**
18 **Assembly adjourns sine die.”**

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