

Requested by SENATE COMMITTEE ON FINANCE AND REVENUE

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 4028**

1 On page 1 of the printed A-engrossed bill, line 3, after “317.097” insert
2 “and section 1, chapter 112, Oregon Laws 2016”.

3 On page 9, delete lines 34 and 35 and insert:

4 **“SECTION 9.** Section 1, chapter 112, Oregon Laws 2016, is amended to
5 read:

6 **“Sec. 1.** (1) As used in sections 1 to 5 [*of this 2016 Act*], **chapter 112,**
7 **Oregon Laws 2016:**

8 “(a) ‘Eligible location’ means land and improvements that are located in
9 a rural area. **‘Eligible location’ includes a location that has not for-**
10 **merly been used for industrial purposes.**

11 “(b) ‘Eligible property’ means improvements classified as industrial under
12 rules established by the Department of Revenue pursuant to ORS 308.215
13 (1)(a)(C), and associated personal property, **whether appraised by the**
14 **county or by the Department of Revenue,** that:

15 “(A) Are newly constructed or installed at an eligible location; and

16 “(B) Have a cost of initial investment to the purchaser of at least \$1
17 million and not more than \$25 million.

18 “(c) ‘Qualified property’ means eligible property for which an application
19 has been approved under section 2 [*of this 2016 Act*], **chapter 112, Oregon**
20 **Laws 2016.**

21 “(d) ‘Rural area’ means an area located **in unincorporated territory,**

1 **or in a city with a population of less than 40,000, that is located** entirely
2 outside of the urban growth [*boundary of a city with a population*] **bounda-**
3 **ries of any and all cities with populations** of 40,000 or more, as the urban
4 growth [*boundary is*] **boundaries are** acknowledged on the date on which
5 an applicant submits an application for eligible property under section 2 [*of*
6 *this 2016 Act*], **chapter 112, Oregon Laws 2016.**

7 “(2)(a) The governing body of a city or county may adopt an ordinance
8 or resolution granting a property tax exemption for eligible property located
9 within the boundaries of the city or county, respectively.

10 “(b) The terms of the exemption must conform to the provisions of
11 sections 1 to 5 [*of this 2016 Act*], **chapter 112, Oregon Laws 2016.** In addi-
12 tion, an ordinance or resolution adopted under this subsection shall establish
13 standards for the imposition of conditions described in section 2 (4) [*of this*
14 *2016 Act*], **chapter 112, Oregon Laws 2016.**

15 “(3)(a) Qualified property must be:

16 “(A) Owned or leased by the applicant filing the application under section
17 2 [*of this 2016 Act*], **chapter 112, Oregon Laws 2016.**

18 “(B) Used through the final year of exemption for the purpose, and at the
19 location, identified in the application filed under section 2 [*of this 2016*
20 *Act*], **chapter 112, Oregon Laws 2016.**

21 “(b) The exemption:

22 “(A) May be granted to eligible property only if the first assessment year
23 to which the application filed under section 2 [*of this 2016 Act*], **chapter 112,**
24 **Oregon Laws 2016,** relates is the first assessment year that begins after the
25 eligible property was first placed in service; and

26 “(B) Shall be granted only for qualified property that was first placed in
27 service after the ordinance or resolution was adopted.

28 “(4)(a) The exemption shall be granted as a 100 percent exemption of the
29 real market value of the qualified property for any three out of five consec-
30 utive property tax years.

1 “(b) Notwithstanding paragraph (a) of this subsection, the city or county
2 may specify in the ordinance or resolution:

3 “(A) A minimum cost of initial investment greater than \$1 million.

4 “(B) Any number of years not greater than five for which the exemption
5 shall be granted.

6 “(C) The percentage of the real market value of the qualified property
7 granted exemption for each year.

8 “(D) Different schedules in each property tax year for the years and per-
9 centages described in subparagraphs (B) and (C) of this paragraph, depending
10 on the minimum costs of initial investment of the qualified property.

11 “(5)(a) An ordinance or resolution adopted pursuant to this section may
12 not take effect unless, upon request of the city or county that adopted the
13 ordinance or resolution, the rates of taxation of the taxing districts whose
14 governing bodies agree to grant the exemption, when combined with the rate
15 of taxation of the city or county, equal 75 percent or more of the total
16 combined rate of taxation on the qualified property.

17 “(b) Upon the taking effect of the ordinance or resolution, the exemption
18 shall apply to all property tax levies of all taxing districts in which qualified
19 property is located.

20 “(c) The decisions of the taxing districts under paragraph (a) of this sub-
21 section may not be changed but are not binding with respect to an ordinance
22 or resolution adopted pursuant to subsection (6) of this section or a new
23 ordinance or resolution adopted pursuant to subsection (2) of this section.

24 “(d) All qualified property shall be granted exemption under this section,
25 or deferral under section 3 [*of this 2016 Act*], **chapter 112, Oregon Laws**
26 **2016**, on the same terms provided in the ordinance or resolution adopted or
27 amended by the city or county and in effect on the date the application is
28 submitted under section 2 [*of this 2016 Act*], **chapter 112, Oregon Laws**
29 **2016**.

30 “(6)(a) A city or county may adopt at any time an ordinance or resolution

1 amending the terms of an exemption granted pursuant to this section or a
2 deferral granted pursuant to section 3 [*of this 2016 Act*], **chapter 112,**
3 **Oregon Laws 2016**, subject to approval of the taxing districts under sub-
4 section (5)(a) of this section, or terminating the exemption or deferral.

5 “(b) Notwithstanding an ordinance or resolution adopted under paragraph
6 (a) of this subsection, qualified property that has been granted an exemption
7 pursuant to this section, or a deferral pursuant to section 3 [*of this 2016*
8 *Act*], **chapter 112, Oregon Laws 2016**, shall continue to receive the ex-
9 emption or deferral under the terms in effect at the time the exemption or
10 deferral was first granted.

11 “(7) If a city or county proposes an ordinance or resolution providing for
12 an exemption on terms other than the terms provided in subsection (4)(a) of
13 this section, the ordinance or resolution may not take effect unless the gov-
14 erning body of the city or county, as applicable, receives testimony from the
15 county assessor at a public hearing on the question regarding the cost and
16 administration of the proposed terms of the exemption.

17 “(8)(a) Qualified property granted an exemption pursuant to this section,
18 or a deferral pursuant to section 3 [*of this 2016 Act*], **chapter 112, Oregon**
19 **Laws 2016**, is not eligible for any other property tax exemption or special
20 assessment.

21 “(b) Otherwise eligible property that has received another property tax
22 exemption or special assessment is not eligible for the exemption or deferral.

23 “(c) Paragraphs (a) and (b) of this subsection do not apply to the ex-
24 emption granted under ORS 307.330.

25 **“SECTION 10. The amendments to section 1, chapter 112, Oregon**
26 **Laws 2016, by section 9 of this 2018 Act apply to ordinances and resol-**
27 **utions adopted under section 1, chapter 112, Oregon Laws 2016, on or**
28 **after the effective date of this 2018 Act.**

29 **“SECTION 11. This 2018 Act takes effect on the 91st day after the**
30 **date on which the 2018 regular session of the Seventy-ninth Legislative**

1 **Assembly adjourns sine die.”**

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