

HB 2699 A STAFF MEASURE SUMMARY

House Committee On Revenue

Prepared By: Jaime McGovern, Economist

Meeting Dates: 5/1, 5/16

WHAT THE MEASURE DOES:

Modifies brownfield property tax incentive law to specify that a brownfield property granted property tax benefits under the law may also be granted any other special assessment, exemption, or partial exemption for which the property is eligible. Prohibits total amount of all special assessments, exemptions, and partial exemptions granted to property from reducing property tax liability to below zero. Requires city, county, or port to specify in ordinance or resolution how multiple property tax benefits will be applied and to notify county assessor of intended application. Takes effect 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Current progress on Brownfield properties.
- Bill would allow multiple tax incentives.
- Current Brownfield statute is the result of legislation passed several years ago.
- Interest in stacking with the Enterprise Zone and Vertical Housing property tax exemptions.
- Whether the current authorization would allow partial property tax exemptions
- The total number of Brownfields remediated in Oregon.
- Brownfield exemption can last 15 years.

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Legislative Assembly enacted House Bill 4084 in 2016, authorizing certain local governments to adopt an ordinance or resolution to provide property tax incentives for any land that constitutes a brownfield located within its jurisdiction. A brownfield is a property where expansion or redevelopment is complicated by actual or perceived environmental contamination. Programs adopted by local ordinance can offer a special assessment, an exemption or partial exemption of improvements and personal property, or both, on the brownfield land. The period of the property tax incentive program is ten years, with an additional period of five years based on locally-adopted criteria. Certain properties are not eligible for the program, including property granted any other special assessment, exemption, or partial exemption.

For local programs that provide for a special assessment, the specially assessed value of the land is the real market value of the property if it were not a brownfield less the eligible costs required to remove, contain, or treat the contamination of a brownfield. Eligible costs are reduced by the amount of any grant, tax credit, insurance proceeds, or legal settlements received for property clean-up or remediation.

The existing brownfield tax exemption has not been extensively utilized to date.