

**HB 2053 B STAFF MEASURE SUMMARY**

**Carrier:** Rep. Marsh

**House Committee On Revenue**

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**Action Date:** 06/12/19

**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

**Vote:** 7-0-0-0

**Yeas:** 7 - Findley, Hernandez, Marsh, Nathanson, Reschke, Smith G, Smith Warner

**Fiscal:** No fiscal impact

**Revenue:** Has minimal revenue impact

**Prepared By:** Kaitlyn Harger, Economist

**Meeting Dates:** 5/7, 5/30, 6/12

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**WHAT THE MEASURE DOES:**

Makes changes to statute related to the New Industrial Property in Rural Areas program. Updates references to Oregon Law. Clarifies that the definition of employment for the applicant refers to the applicant's employment at the tax exempt location. Changes date for employment and wage verification from being due on the application date to being due on a date agreed upon between applicant and governing body, which must be on or before the end of the first property tax exemption year. Takes effect on the 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Function of each program
- Interconnectedness of programs
- Policy change from a compensation requirement to a wage requirement
- Deployment of programs in economically diverse areas, such as urban and rural designations

**EFFECT OF AMENDMENT:**

Replaces the bill.

**BACKGROUND:**

HB 2053 B makes two modifications to the New Industrial Property and Rural Areas program. Currently, the employment and wage verification takes place at the time of application for property tax abatement. This requirement may be difficult to comply with since the project may not be started at the time of application and thus the employees may not yet be hired or receiving wages. The bill allows local government and the applicant to come to an agreed upon date for the employment and wage verification. Additionally, the bill clarifies existing language within statute indicating that the employment requirements apply only to the property receiving abatement and not the entirety of the employer's business activity within the state.