

House Bill 2806

Sponsored by Representative BOLES; Representatives FINDLEY, LEIF, SMITH DB, WILSON, ZIKA

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

For purposes of qualifying for enterprise zone benefits, expands definition of "eligible business firm" to include business firm engaged in providing services to general public as medical clinic, health care facility, substance abuse treatment provider or alcohol or drug rehabilitation center.

A BILL FOR AN ACT

1
2 Relating to the inclusion of certain health care providers as eligible business firms for purposes of
3 enterprise zone benefits; creating new provisions; and amending ORS 285C.135 and 285C.300.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 285C.135 is amended to read:

6 285C.135. (1) To be an eligible business firm, a business firm must be engaged, or proposing to
7 engage, within the enterprise zone, in the business of providing goods, products or services to busi-
8 nesses or other organizations through activities including, but not limited to, manufacturing, as-
9 sembly, fabrication, processing, shipping or storage.

10 (2) A business firm is not an eligible business firm if the firm is:

11 (a) Engaged within the enterprise zone in the business of providing goods, products or services
12 to the general public for personal or household use.

13 (b) Significantly engaged in a business activity within the enterprise zone that consists of retail
14 sales or services, child care, housing, retail food service, health care, tourism, entertainment, fi-
15 nancial services, professional services, leasing space to others, property management, construction
16 or other similar activities, even if for another business or organization.

17 (3) If a business firm described in subsection (2) of this section engages in an activity described
18 in subsection (1) of this section, the business firm is an eligible business firm if the activity is per-
19 formed at a location that is separate from the activity of the firm that is described in subsection (2)
20 of this section. Property at the location at which the firm conducts an activity described in sub-
21 section (2) of this section may not be exempt under ORS 285C.175.

22 (4) Two or more business firms that otherwise meet the requirements of this section may elect
23 to be treated as one eligible business firm if 100 percent of the equity interest in the business firms
24 is owned by the same person or persons, or if one of the business firms owns 100 percent of the
25 equity interest of the other or others.

26 (5) Notwithstanding subsections (1) to (3) of this section, each of the following business firms is
27 an eligible business firm under subsection (1) of this section:

28 (a) A business firm engaged in the activity of providing a retail or financial service within the
29 enterprise zone if:

30 (A) The activity serves customers by responding to orders or requests received only by tele-
31 phone, computer, the Internet or similar means of telecommunications; and

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 (B) Not less than 90 percent of the customers or orders are located and originate in an area
 2 from which long distance telephone charges, in the absence of a toll-free number, would apply if the
 3 order were placed by telephone.

4 (b) A business firm that operates a facility within the enterprise zone that serves statewide,
 5 regional, national or global operations of the firm through administrative, design, financial, man-
 6 agement, marketing or other activities, without regard to the relationship of these activities to any
 7 otherwise eligible activities within the enterprise zone.

8 (c) A business firm that operates a hotel, motel or destination resort in the enterprise zone if
 9 the sponsor has elected under ORS 285C.070 to treat a business firm engaged in hotel, motel or
 10 destination resort operations in an enterprise zone as an eligible business firm.

11 (d) A business firm that is engaged in electronic commerce if the enterprise zone has been des-
 12 ignated for electronic commerce under ORS 285C.095.

13 **(e) A business firm that is engaged in providing services to the general public as a med-**
 14 **ical clinic, health care facility, substance abuse treatment provider or alcohol or drug reha-**
 15 **ilitation center.**

16 **SECTION 2.** ORS 285C.300 is amended to read:

17 285C.300. As used in ORS 285C.300 to 285C.320:

18 (1) "Eligible business" means a business that:

19 (a) Is engaged within a reservation enterprise zone or a reservation partnership zone in the
 20 manufacture or provision of goods, products or services to other businesses or to the general public,
 21 through activities including, but not limited to, manufacturing, assembly, fabrication, processing,
 22 shipping, storage, retail sales or services, child care, housing, retail food service, health care, **in-**
 23 **cluding substance abuse treatment and alcohol or drug rehabilitation**, tourism, entertainment,
 24 financial services, professional services, energy development, construction or similar activities; and

25 (b) Occupies or owns a new business facility within a reservation enterprise zone or a reserva-
 26 tion partnership zone.

27 (2) "New business facility":

28 (a) Means a physical asset within a reservation enterprise zone or a reservation partnership
 29 zone that satisfies the following requirements:

30 (A) The facility is used by a business in the operation of a revenue-producing enterprise, except
 31 that the revenue-producing enterprise must consist of activity other than leasing the facility to an-
 32 other person; and

33 (B) The facility is acquired by or leased to a business on or after January 1, 2002, including a
 34 facility, the title or possession of which is transferred to the business on or after January 1, 2002,
 35 or a facility, the construction, erection or installation of which is completed on or after January 1,
 36 2002;

37 (b) Subject to paragraph (c) of this subsection, includes a facility acquired or leased from a
 38 person that used the facility in a revenue-producing enterprise within the boundaries of the same
 39 Indian reservation immediately prior to the transfer of title or possession of the facility to the
 40 business; and

41 (c) Does not include:

42 (A) A facility that is used in a revenue-producing enterprise that is the same or substantially
 43 identical to the revenue-producing enterprise in which the facility was previously used within the
 44 boundaries of the same Indian reservation; or

45 (B) Any property that merely replaces existing property and that does not expand the capacity

1 of the revenue-producing enterprise in which the facility is to be used.

2 (3) "Reservation enterprise zone" means an enterprise zone designated under ORS 285C.306.

3 (4) "Reservation partnership zone" means an enterprise zone cosponsored under ORS 285C.306.

4 (5) "Tribal government" means the governing body of an Indian tribe, if the governing body has
5 the authority to levy, impose and collect taxes within the boundaries of the reservation of the tribe.

6 (6) "Tribal tax" means any specific tax that is or may be levied or imposed by a tribal govern-
7 ment upon a business and that is measured with reference to a specific level or quantity of that
8 business's income, operations, use or ownership of property. "Tribal tax" includes, but is not limited
9 to, an income or excise tax, an ad valorem property tax, a gross receipts tax or a sales and use tax.

10 **SECTION 3. The amendments to ORS 285C.135 by section 1 of this 2019 Act apply to ap-**
11 **plications by business firms for authorization filed on or after the effective date of this 2019**
12 **Act.**

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