

HB 2343 A -3 STAFF MEASURE SUMMARY

House Committee On Revenue

Prepared By: Jaime McGovern, Economist

Meeting Dates: 4/28, 5/18

WHAT THE MEASURE DOES:

Authorizes governing body of enterprise zone sponsor to adopt resolution suspending enterprise zone employment requirements otherwise imposed on authorized business firms. Provides resolution may not be adopted after 45 days following effective date of Act. Authorizes governing body of enterprise zone sponsor to allow exemption for property tax years beginning on July 1, 2021, and July 1, 2022, to qualified property of authorized business firm that otherwise does not meet certain requirements during declared public health emergency. Authorizes refunds without interest of all or any part of payments collected with respect to disqualification in certain circumstances, and based on property taxes imposed for tax year that began on July 1, 2020, with respect to qualified property subject to either grant of authority.

ISSUES DISCUSSED:

- Application of Enterprise Zone requirements.
- Participating counties.
- Reporting requirements in bill.
- Effects of wildfires and pandemic.

EFFECT OF AMENDMENT:

-3 Replaces bill. Permits governing body of a Enterprise Zone sponsor to adopt a resolution to suspend obligations of participating firm due to pandemic impacts. Provides that qualifying business may continue to receive exemption if failure to meet qualifications results from pandemic and state of emergency declared on March 8, 2020 if resolution with alternative requirements is adopted by governing body. Mandates reporting requirements. Provides for refunds of taxes already collected for non-compliance of Enterprise Zone requirements during this period.

BACKGROUND:

Any city, county or port may designate an area within the city, county or port as an enterprise zone by joint resolution and subject to approval by Oregon Business Development Department (OBDD aka Business Oregon). Under ORS 285C.135 and 285C.200, qualified property (not including land) owned or leased and newly placed into service by a qualified business firm in an enterprise zone is fully exempt from property tax for three to five consecutive years. The property tax exemption may apply to new and growing businesses, and the requirements for qualification can include conditions on timing, local hiring, increases in hiring, and business operations.