

SB 135 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Action Date: 02/28/23

Action: Without recommendation as to passage and be referred to Tax Expenditures by prior reference.

Vote: 5-0-0-0

Yeas: 5 - Boquist, Findley, Golden, Jama, Meek

Fiscal: No fiscal impact

Revenue: Revenue impact issued

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Meeting Dates: 2/6, 2/28

WHAT THE MEASURE DOES:

Moves the sunset date for the full property tax exemption of business property in a long-term rural enterprise zone by seven years, from July 1, 2025 to July 1, 2032. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Whether this exemption is affordable and has served its purpose, further input from Joint Committee on Tax Expenditure needed.

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Enterprise zones represent a targeted, geographical approach to economic development and require approval by a local government. These zone sponsors may be any county, city, or port in Oregon, subject to determination by Business Oregon (Oregon Business Development Department). They are jointly administered by Business Oregon, the county assessors, and zone sponsors. Currently, an eligible facility must be within one of 25 eligible counties. These counties must meet criteria for net out-migration, chronically low per capita income, or high unemployment. It must also be a county that is outside a federal Metropolitan Statistical Area (MSA) with a general countywide property tax rate of at least 1.3 percent. This policy originally became law in 1997.