House Bill 3011
Sponsored by Representative GRAYBER (Presession filed.)

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.

Provides for transparency and coordination when local governments enter into agreements for property tax exemptions with business firms. Provides certain limits on length of exemption periods and value of tax savings. Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

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

SECTION 1. Section 2 of this 2023 Act is added to and made a part of ORS 285C.050 to 285C.250.

SECTION 2. (1) The sponsor of an enterprise zone shall notify the Oregon Business Development Department of the sponsor's intent to enter into an agreement with a business firm for purposes of ORS 285C.050 to 285C.250.

(2) Upon receiving notice under subsection (1) of this section, if the department determines that the execution of the agreement may increase the use of infrastructure located outside the sponsor's boundaries, the department shall convene a meeting with the sponsor and all adjacent local governments within whose boundaries infrastructure may be so affected.

(3) Upon request, the department shall provide technical assistance to a sponsor intending to enter into an agreement with a business firm.

SECTION 3. ORS 285C.155 is amended to read:

285C.155. For purposes of ORS 285C.200 (2):

(1) The sponsor of an enterprise zone, at the time authorization is sought by a business firm under ORS 285C.140, shall establish a minimum number of employees the firm must maintain in the enterprise zone throughout the exemption period.

(2) The sponsor, at the time authorization is sought by a business firm under ORS 285C.140, may establish other reasonable conditions with which the firm must comply in order for qualified property of the firm to be exempt under ORS 285C.175.

(3)(a) Employment requirements and other conditions established by the sponsor under this section shall be set forth in a resolution adopted by the governing body of the sponsor at the time the sponsor approves the application of the business firm for authorization under ORS 285C.140.

(4)(b) A resolution adopted pursuant to this [section] subsection may be modified at the request of the business firm at any time prior to the start of the first tax year for which an exemption
under ORS 285C.175 is claimed.

(4)(a) In addition to the requirements and other conditions required to be set forth in the resolution adopted by the sponsor under subsection (3) of this section, the sponsor, and the governing body of each other public body that has entered into an agreement, or has made or is expected to make any other arrangement or accommodation, with the business firm in relation to the exemption of the business firm's qualified property, shall each adopt a resolution setting forth the following information related to such agreement, arrangement or accommodation:

(A) Job creation requirements;
(B) The expansion of infrastructure to accommodate any development associated with the qualified property and how the expansion will be financed; and
(C) Any other nonstatutory benefits, whether monetary or otherwise, being offered by the public parties to the agreement, including, but not limited to:
   (i) Waivers or reductions of, or credits against, fees;
   (ii) Flexibility or priority in local government regulation related to the qualified property; and
   (iii) Enhanced public services provided by local government.
(b) All agreements and other arrangements and accommodations that relate to a business firm's decision to locate qualified property in an enterprise zone, or to the sponsor's approval of the exemption, are subject to this subsection, whether required under statute or otherwise, including, but not limited to, any form prescribed by the Oregon Business Development Department that is required in the process of claiming the exemption.
(c) A sponsor or other public body required to adopt a resolution under this subsection may redact any information that is exempt from public disclosure under ORS 192.311 to 192.478.
(d) The department may adopt rules for purposes of this subsection.

SECTION 4. ORS 285C.135 is amended to read:

285C.135. (1) To be an eligible business firm, a business firm must be engaged, or proposing to engage, within the enterprise zone, in the business of providing goods, products or services to businesses or other organizations through activities including, but not limited to, manufacturing, assembly, fabrication, processing, shipping or storage.
(2) A business firm is not an eligible business firm if the firm is:
   (a) Engaged within the enterprise zone in the business of providing goods, products or services to the general public for personal or household use.
   (b) Significantly engaged in a business activity within the enterprise zone that consists of retail sales or services, the provision of services to the retail sector, such as warehousing goods for delivery to retail purchasers, child care, housing, retail food service, health care, tourism, entertainment, financial services, professional services, leasing space to others, property management, construction or other similar activities, even if for another business or organization.
(3) If a business firm described in subsection (2) of this section engages in an activity described in subsection (1) of this section, the business firm is an eligible business firm if the activity is performed at a location that is separate from the activity of the firm that is described in subsection (2) of this section. Property at the location at which the firm conducts an activity described in subsection (2) of this section may not be exempt under ORS 285C.175.
(4) Two or more business firms that otherwise meet the requirements of this section may elect
to be treated as one eligible business firm if 100 percent of the equity interest in the business firms
is owned by the same person or persons, or if one of the business firms owns 100 percent of the
equity interest of the other or others.

(5) Notwithstanding subsections (1) to (3) of this section, each of the following business firms is
an eligible business firm under subsection (1) of this section:
(a) A business firm engaged in the activity of providing a retail or financial service within the
enterprise zone if:
(A) The activity serves customers by responding to orders or requests received only by tele-
phone, computer, the Internet or similar means of telecommunications; and
(B) Not less than 90 percent of the customers or orders are located and originate in an area
from which long distance telephone charges, in the absence of a toll-free number, would apply if the
order were placed by telephone.
(b) A business firm that operates a facility within the enterprise zone that serves statewide,
regional, national or global operations of the firm through administrative, design, financial, man-
agement, marketing or other activities, without regard to the relationship of these activities to any
otherwise eligible activities within the enterprise zone.
(c) A business firm that operates a hotel, motel or destination resort in the enterprise zone if
the sponsor has elected under ORS 285C.070 to treat a business firm engaged in hotel, motel or
destination resort operations in an enterprise zone as an eligible business firm.
(d) A business firm that is engaged in electronic commerce if the enterprise zone has been des-
ignated for electronic commerce under ORS 285C.095.

SECTION 5. ORS 285C.175 is amended to read:
ORS 285C.175. (1) Property of an authorized business firm is exempt from ad valorem property taxa-
tion if:
(a) The property is qualified property under ORS 285C.180;
(b) The firm meets the qualifications under ORS 285C.200; [and]
(c) The firm has entered into a first-source hiring agreement under ORS 285C.215[.]; and
(d) For property located in a county with a population greater than 420,000, the floor area
ratio is at least 2,500 square feet per employee.
(2)(a) Except as otherwise provided in ORS 285C.203:
(A) The exemption allowed under this section applies to the first tax year for which, as of Jan-
uary 1 preceding the tax year, the qualified property is in service. The exemption shall continue for
the next two succeeding tax years if the property continues to be owned or leased by the business
firm and located in the enterprise zone.
(B) The property may be exempt from property taxation under this section for up to two addi-
tional tax years consecutively following the tax years described in subparagraph (A) of this para-
graph, if authorized by the written agreement entered into by the firm and the sponsor under ORS
285C.160.
(b) If qualified property of a qualified business firm is sold or leased to an eligible business firm
in the enterprise zone during the period the property is exempt under this section, the purchasing
or leasing firm is eligible to continue the exemption of the selling or leasing firm for the balance
of the exemption period, but only if any effects on employment within the zone that result from the
sale or lease do not constitute substantial curtailment under ORS 285C.210.
(3)(a) The exemption allowed under this section shall be 100 percent of the assessed value of the
qualified property in each of the tax years for which the exemption is available.
(b) Notwithstanding paragraph (a) of this subsection:

(A) If the qualified property is an addition to or modification of an existing building or structure, the exemption shall be measured by the increase in value, if any, attributable to the addition or modification.

(B) If the qualified property is an item of reconditioned, refurbished, retrofitted or upgraded real property machinery or equipment, the exemption shall be measured by the increase in the value of the item that is attributable to the reconditioning, refurbishment, retrofitting or upgrade.

(4)(a) An exemption may not be granted under this section for qualified property assessed for property tax purposes in the county in which the property is located on or before the date on which:

(A) Designation of the zone takes effect under ORS 285C.074; or

(B) A boundary change for the zone takes effect under ORS 285C.117 if the property is located in an area added to the zone.

(b) An exemption may not be granted for qualified property constructed, added, modified or installed in the zone or in the process of construction, addition, modification or installation in the zone on or before the date on which:

(A) Designation of the zone takes effect under ORS 285C.074; or

(B) A boundary change for the zone takes effect under ORS 285C.117 if the property is located in an area added to the zone.

(c) An exemption may not be granted for any qualified property that was in service within the zone for more than 12 months by January 1 of the first assessment year for which an exemption claim is made, or 24 months, in the case of a late claim under ORS 285C.220 (9).

(d) An exemption may not be granted for any qualified property unless the property is actually in use or occupancy before July 1 of the year immediately following the year during which the property was first placed in service.

(e) Except as provided in ORS 285C.245, an exemption may not be granted for qualified property constructed, added, modified or installed after termination of an enterprise zone.

(5) Property is not required to have been exempt under ORS 285C.170 in order to be exempt under this section.

(6) The county assessor shall notify the business firm in writing whenever property is denied an exemption under this section. The denial of exemption may be appealed to the Oregon Tax Court under ORS 305.404 to 305.560.

(7) For each tax year that the property is exempt from taxation, the assessor shall:

(a) Enter on the assessment roll, as a notation, the assessed value of the property as if it were not exempt under this section.

(b) Enter on the assessment roll, as a notation, the amount of additional taxes that would be due if the property were not exempt.

(c) Indicate on the assessment roll that the property is exempt and is subject to potential additional taxes as provided in ORS 285C.240, by adding the notation “enterprise zone exemption (potential additional tax).”

SECTION 6. Section 7 of this 2023 Act is added to and made a part of ORS 285C.400 to 285C.420.

SECTION 7. (1) The sponsor of a rural enterprise zone shall notify the Oregon Business Development Department of the sponsor’s intent to enter into an agreement with a business firm for purposes of ORS 285C.400 to 285C.420.

(2) Upon receiving notice under subsection (1) of this section, if the department deter-
mines that the execution of the agreement may increase the use of infrastructure located
outside the sponsor’s boundaries, the department shall convene a meeting with the sponsor
and all adjacent local governments within whose boundaries infrastructure may be so af-
fected.

(3) Upon request, the department shall provide technical assistance to a sponsor intend-
ing to enter into an agreement with a business firm.

SECTION 8. ORS 285C.403 is amended to read:

285C.403. (1)(a) Any business firm proposing to apply for the tax exemption provided under ORS
285C.409 shall, before the commencement of construction or installation of property or improvements
at a location in a rural enterprise zone and before the hiring of employees, apply for certification
with the sponsor of the zone and with the county assessor of the county or counties in which the
zone is located. The application shall be made on a form prescribed by the Department of Revenue.

(b) A business firm may not be certified under this section if its primary business is op-
erating facilities in, or that provide service to, the retail sector, including, but not limited
to, warehousing goods for delivery to retail purchasers.

(2) The application shall contain the following information:

(a) A description of the firm’s proposed business operations and facility in the rural enterprise
zone;

(b) A description and estimated cost or value of the property or improvements to be constructed
or installed at the facility;

(c) An estimate of the number of employees at the facility that will be hired by the firm;

(d) A commitment to meet the applicable requirements of ORS 285C.412;

(e) A commitment to satisfy all additional conditions agreed to pursuant to the written agree-
ment between the rural enterprise zone sponsor and the business firm under subsection (3)(c) of this
section; and

(f) Any other information considered necessary by the Department of Revenue.

(3) The sponsor and the county assessor shall certify the business firm by approving the appli-
cation if the sponsor and the county assessor determine that all of the following requirements have
been met:

(a) The governing body of the county and city in which the facility is located has adopted a
resolution approving the property tax exemption for the facility.

(b) The business firm has committed to meet the applicable requirements of ORS 285C.412.

(c) The business firm has entered into a written agreement with the sponsor of the rural enter-
prise zone that may include any additional requirements that the sponsor may reasonably request,
including but not limited to contributions for local services or infrastructure benefiting the facility.

[The written agreement shall state the number of consecutive tax years for which the facility, following
commencement of operations, is to be exempt from property tax under ORS 285C.409. The agreement
may not provide for a period of exemption that is less than seven consecutive tax years or more than
15 consecutive tax years. If the agreement is silent on the number of tax years for which the facility
is to be exempt following placement in service, the exemption shall be for seven consecutive tax
years.]

(d) When the written agreement required under paragraph (c) of this subsection is executed, the
facility is located in:

(A) A qualified rural county; or

(B) A county with chronically low income or chronic unemployment, based on the most recently
revised annual data available.

(4)(a) In addition to the requirements and additional conditions required to be set forth in the resolution adopted by the sponsor under subsection (3) of this section, the sponsor, and the governing body of each other public body that has entered into an agreement, or has made or is expected to make any other arrangement or accommodation, with the business firm in relation to the exemption of the business firm’s facility, shall each adopt a resolution setting forth the following information related to such agreement, arrangement or accommodation:

(A) Job creation requirements;
(B) The expansion of infrastructure to accommodate any development associated with the facility and how the expansion will be financed; and
(C) Any other nonstatutory benefits, whether monetary or otherwise, being offered by the public parties to the agreement, including, but not limited to:
   (i) Waivers or reductions of, or credits against, fees;
   (ii) Flexibility or priority in local government regulation related to the facility; and
   (iii) Enhanced public services provided by local government.

(b) All agreements and other arrangements and accommodations that relate to a business firm’s decision to locate a facility in a rural enterprise zone, or to the sponsor’s approval of the exemption, are subject to this subsection, whether required under statute or otherwise, including, but not limited to, any form prescribed by the Department of Revenue that is required in the process of claiming the exemption.

(c) A sponsor or other public body required to adopt a resolution under this subsection may redact any information that is exempt from public disclosure under ORS 192.311 to 192.478.

(d) The Department of Revenue may adopt rules for purposes of this subsection.

[(4)] (5) The approval of an application by both the sponsor and the county assessor under subsection (3) of this section shall be prima facie evidence that the business firm will qualify for the property tax exemption under ORS 285C.409.

[(5)] (6) The sponsor and the county assessor shall provide copies of an approved application to the applicant, the Department of Revenue and the Oregon Business Development Department.

[(6)] (7) If the sponsor or the county assessor fails or refuses to certify the business firm, the business firm may appeal to the Oregon Tax Court under ORS 305.404 to 305.560. The business firm shall provide copies of the firm’s appeal to the sponsor, the county assessor, the Oregon Business Development Department and the Department of Revenue.

SECTION 9. ORS 285C.409 is amended to read:

285C.409. (1) A facility of a certified business firm is exempt from ad valorem property taxation:
(a) For the first tax year following the calendar year in which the business firm is certified under ORS 285C.403 or after which construction or reconstruction of the facility commences, whichever event occurs later;
(b) For each subsequent tax year in which the facility is not yet in service as of the assessment date; and
(c) For a period of [at least seven] eight consecutive tax years [but not more than 15 consecutive tax years, as provided in the written agreement between the business firm and the rural enterprise zone sponsor under ORS 285C.403 (3)(c),] if the facility satisfies the requirements of ORS 285C.412. The period described in this paragraph shall commence as of the first tax year in which the facility is
in service as of the assessment date.

(2) A facility of a certified business firm is 50 percent exempt from ad valorem property taxation for an additional two years if the facility satisfies the requirements of ORS 285C.412.

[(2)] (3) An exemption under this section may not be allowed:

(a) For real or personal property that has received a property tax exemption under ORS 285C.170 or 285C.175.

(b) For property located in a county with a population greater than 420,000, the floor area ratio is at least 2,500 square feet per employee.

[(3)] (4) For each tax year that the facility is exempt from taxation under this section, the county assessor shall:

(a) Enter on the assessment and tax roll, as a notation, the real market value and assessed value of the facility.

(b) Enter on the assessment and tax roll, as a notation, the amount of tax that would be due if the facility were not exempt.

(c) Indicate on the assessment and tax roll that the property is exempt and is subject to potential additional taxes as provided in ORS 285C.420 by adding the notation “enterprise zone exemption (potential additional tax).”

[(4)] (5) The amount determined under subsection [(3)(b)] (4)(b) of this section and the name of the business firm shall be reported to the Department of Revenue on or before December 31 of each tax year so that the department may compute the distributions described in ORS 317.131.

[(5)] (6) The following property may not be exempt from property taxation under this section:

(a) Land.

(b) Any property that existed at the facility on an assessment date before the assessment date for the first tax year for which property of the firm is exempt under this section.

SECTION 10. ORS 285C.412 is amended to read:

285C.412. In order for a facility of a business firm to continue to be exempt from ad valorem property taxation under ORS 285C.409 for a tax year following the first assessment date on which the facility is in service, all of the conditions of any one of the alternative subsections in this section must be met:

(1) In order for the exemption under ORS 285C.409 (1)(c) or (2) to be allowable pursuant to this subsection:

(a) By the end of the calendar year in which the facility is placed in service, the total cost of the facility exceeds the lesser of $25 million or one percent of the real market value of all nonexempt taxable property in the county in which the facility is located, as determined for the assessment year in which the business firm is certified (and rounded to the nearest $10 million of such value);

(b) The business firm hires or will hire at least 75 full-time employees at the facility by the end of the fifth calendar year following the year in which the facility is placed in service; and

(c) The annual average compensation for employees, based on payroll, at the business firm’s facility must be at least 150 percent of the average wage in the county in which the facility is located, or, if the facility is located in a qualified rural county, determined as of the date on which the written agreement between the zone sponsor and the business firm was executed, the annual average compensation must be at least 130 percent of the average wage in the county in which the facility is located. This requirement may be initially met in any year during the first five years after the year in which the facility is placed in service, and thereafter is met if:
(A) The annual average compensation at the facility for the year equals or exceeds 150 percent of the average wage in the county for the year in which the requirement is initially met or, for a facility located in a qualified rural county, determined as of the date on which the written agreement between the zone sponsor and the business firm was executed, the annual average compensation at the facility for the year equals or exceeds 130 percent of the average wage in the county for the year in which the requirement is initially met; and

(B) The average wage at the facility equals or exceeds 100 percent of the average wage in the county.

(2) In order for the exemption under ORS 285C.409 (1)(c) or (2) to be allowable pursuant to this subsection:

(a) The facility meets the total cost requirements set forth in subsection (1)(a) of this section;

(b) The business firm meets the annual average compensation requirements set forth in subsection (1)(c) of this section; and

(c)(A) The business firm hires or will hire at least 10 full-time employees at the facility by the end of the third calendar year following the year in which the facility is placed in service, and at the time that the business firm is certified, the location of the facility is in a county with a population of 10,000 or fewer; or

(B) The business firm hires or will hire at least 35 full-time employees at the facility by the end of the third calendar year following the year in which the facility is placed in service, and at the time that the business firm is certified, the location of the facility is in a county with a population of 40,000 or fewer.

(3) In order for the exemption under ORS 285C.409 (1)(c) or (2) to be allowable pursuant to this subsection:

(a) By the end of the calendar year in which the facility is placed in service, the total cost of the facility exceeds the lesser of $12.5 million or one-half of one percent of the real market value of all nonexempt taxable property in the county in which the facility is located, as determined for the assessment year in which the business firm is certified (and rounded to the nearest $10 million of such value);

(b) At the time that the business firm is certified, the location of the facility is 10 or more miles from Interstate Highway 5, as measured between the two closest points between the facility site and anywhere along that interstate highway;

(c) The business firm meets the annual average compensation requirements set forth in subsection (1)(c) of this section; and

(d)(A) The business firm hires or will hire at least 50 full-time employees at the facility by the end of the third calendar year following the year in which the facility is placed in service; or

(B) The business firm satisfies the requirements of subsection (2)(c)(A) or (B) of this section.

(4) In order for the exemption under ORS 285C.409 (1)(c) or (2) to be allowable pursuant to this subsection:

(a) Within three years either before or after the property tax year in which the facility is placed in service, the business firm places one or more other facilities in the same or another enterprise zone for which the business firm is certified and otherwise meets the requirements of ORS 285C.400 to 285C.420;

(b) The total cost of all facilities of the business firm exceeds $25 million by the end of the calendar year in which the last such facility is placed in service;

(c) The business firm meets the annual average compensation requirements set forth in sub-
section (1)(c) of this section independently for each facility of the firm; and

(d) The business firm hires or will hire a total of at least 100 full-time employees at all of the
firm’s facilities by the end of the fifth calendar year following the year in which the first such fa-
cility is placed in service.

(5) In order for the exemption under ORS 285C.409 (1)(c) or (2) to be allowable pursuant to this
subsection:

(a) By the end of the calendar year in which the facility is placed in service, the total cost of
the facility exceeds $200 million;

(b) At the time that the business firm is certified, the location of the facility meets the siting
requirements of subsection (3)(b) of this section;

(c) The business firm hires or will hire at least 10 full-time employees at the facility by the end
of the third calendar year following the year in which the facility is placed in service; and

(d) The business firm meets the annual average compensation requirements set forth in sub-
section (1)(c) of this section.

SECTION 11. ORS 307.123 is amended to read:

307.123. (1) Except as provided in subsection (4) of this section, real or personal property that
the Oregon Business Development Commission, acting pursuant to ORS 285C.606, has determined is
an eligible project under ORS 285C.600 to 285C.635 shall be subject to assessment and taxation as
provided in this section.

(2)(a) Except as provided in subsection (3) of this section, the following portions of the real
market value of the eligible project, increased annually for growth at the rate of three percent, shall
be taxable at the taxable portion’s assessed value under ORS 308.146:

(A) The minimum cost of the project under ORS 285C.606 (1)(c)(A); or

(B) If the project is located in a rural area as defined in ORS 285C.600:

(i) $25 million for a project with a total cost of not more than $500 million.

(ii) $50 million for a project with a total cost of more than $500 million and not more than $1
billion.

(iii) $100 million for a project with a total cost of more than $1 billion.

(b) The taxable portion of real market value, as adjusted, shall be allocated as follows until the
entire amount is assigned: first to land, second to buildings, third to real property machinery and
equipment and last to personal property.

(c) Except as provided in subsection (3) of this section, the remainder of the real market
value shall be exempt from taxation for a period of [15] eight years from the beginning of the first
tax year that begins after the [earliest] earlier of the following dates:

(A) The date the property is certified for occupancy or, if no certificate of occupancy is issued,
the date the property is used to produce a product for sale; or

(B) The expiration of the exemption for commercial facilities under construction under ORS

(d) The period of exemption from taxation under paragraph (c) of this section may be
renewed one time for no more than two years from the first tax year that begins after the
expiration of the eight-year period of exemption.

(3) If the real market value of the property falls below the value determined under subsection
(2)(a) of this section, the owner or lessee shall pay taxes only on the assessed value of the property.

(4) Notwithstanding subsection (1) of this section, real or personal property that has received
an exemption under ORS 285C.175 may not be assessed under this section.
(5) The Department of Revenue may adopt rules and prescribe forms that the department determines are necessary for administration of this section.

(6) The determination by the Oregon Business Development Commission that a project is an eligible project that may receive a tax exemption under this section shall be conclusive, so long as the property included in the eligible project is constructed and installed in accordance with the application approved by the commission.

(7)(a) Notwithstanding subsection (1) of this section, if the owner or lessee of property exempt under this section fails to pay the fee required under ORS 285C.609 [(4)(b)] (5)(b) by the end of the tax year in which it is due, the exemption shall be revoked and the property shall be fully taxable for the following tax year and for each subsequent tax year for which the fee remains unpaid. If an unpaid fee is paid after the exemption is revoked, the property shall again be eligible for the exemption provided under this section, beginning with the tax year after the payment is made. Reinstatement of the exemption under this subsection shall not extend the 15-year exemption period provided for in subsection (2)(c) of this section.

(b) If the owner or lessee of property exempt under this section fails for 18 consecutive months to meet the requirements of job creation and employee compensation agreed to in any agreement entered into under ORS 285C.600 to 285C.635:

(A) The exemption shall be revoked and the property shall be fully taxable beginning with the next property tax year; and

(B) An additional tax shall be added to the tax extended against the property on the next assessment and tax roll, to be collected and distributed in the same manner as other ad valorem property tax moneys, in an amount equal to the difference between the taxes assessed against the property plus any fees paid under ORS 285C.609 and the taxes that would otherwise have been assessed against the property if it had not been granted the exemption, for each of the number of years for which the property was granted the exemption.

(c) The county assessor shall enter on the assessment and tax roll the notation “potential additional tax liability” until the property is disqualified by expiration of the period of exemption or failure under paragraph (b) of this subsection.

SECTION 12. ORS 285C.600 is amended to read:

285C.600. As used in ORS 285C.600 to 285C.635:

(1) “Business firm” has the meaning given that term in ORS 285C.050.

(2) “Eligible project” means a project that meets criteria established by the Oregon Business Development Commission to be exempt from property taxation under ORS 307.123.

(3) “First-source hiring agreement” has the meaning given that term in ORS 285C.050.

(4) “Newly created jobs” means, for an eligible project, total jobs less retained jobs.

(5) “Publicly funded job training provider” has the meaning given that term in ORS 285C.050.

(6) “Rural area” means an area located entirely outside of the urban growth boundary of a city with a population of 40,000 or more, as the urban growth boundary is acknowledged on the date on which an applicant submits an application, pursuant to rules adopted by the Oregon Business Development Department, for property tax exemption under ORS 307.123.

(7) “Strategic investment zone” means a geographic area established under ORS 285C.623, within which the property of eligible projects may be exempt from property taxation under ORS 307.123.

(8)(a) “Traded sector” means industries in which member firms sell their goods or services into markets for which national or international competition exists.

(b) “Traded sector” does not include operating facilities in, or that provide service to, the
SECTION 13. ORS 285C.606 is amended to read:

285C.606. (1) The State of Oregon, acting through the Oregon Business Development Commis-

sion, may determine that real and personal property constituting a project shall receive the tax ex-

emption provided in ORS 307.123 if:

(a) The project is an eligible project;

(b) The project directly benefits a traded sector; [industry, as defined in ORS 285B.280; and]

(c) The total cost of the project equals or exceeds:

(A) $100 million; or

(B) $25 million, if the project is located in a rural area[.]; and

(d) For a project located in a county with a population greater than 420,000, the floor area

ratio is at least 2,500 square feet per employee.

(2) In addition to and not in lieu of the determination described in subsection (1) of this section,

the State of Oregon, acting through the Oregon Business Development Commission, shall determine that real and personal property constituting a project shall receive the tax exemption provided in ORS 307.123 if:

(a) The requirements of subsection (1) of this section are met; and

(b) The project is to be constructed or installed in a strategic investment zone established under ORS 285C.623.

(3) Notwithstanding subsection (1) or (2) of this section, property may not qualify for the tax exemption under ORS 307.123 if the property:

(a) Was previously owned or leased by the business firm benefiting from the tax exemption;

(b) Was previously exempt under ORS 307.123 for any period of time; or

(c) If located in a strategic investment zone, is not newly constructed or newly installed prop-

erty.

(4) The State of Oregon, acting through the State Treasurer, may authorize and issue revenue

bonds for an eligible project that qualifies for exemption under ORS 307.123 if the project also is eligible for funding through the issuance of revenue bonds under ORS 285B.320 to 285B.371.

(5) A business firm that will be benefited by an eligible project shall enter into a first-source hiring agreement with a publicly funded job training provider that will remain in effect until the end of the tax exemption period.

(6) If an eligible project is leased or subleased to any person, the lessee shall be required to pay property taxes levied upon or with respect to the leased premises only in accordance with ORS 307.123.

(7) For purposes of determining the assessment and taxation of the eligible project in ORS 307.123 and the calculation of the community services fee in ORS 285C.609 [(4)(b)] (5)(b), the Oregon Business Development Commission, when it determines that the project is an eligible project, shall:

(a) Describe the real and personal property to be included in the eligible project;

(b) Establish the maximum value of the property subject to exemption; or

(c) Employ a comparable method to define the eligible project.

(8) Property of an eligible project that is currently exempt under ORS 307.123 may remain exempt for any remaining period of exemption allowed under ORS 307.123 upon the property being acquired by a business firm that is different from the business firm that initially benefited from the exemption, if the acquiring firm satisfies all applicable requirements under ORS 285C.600 to 285C.635.
and assumes the obligations, conditions, requirements and other terms of the agreement described in ORS 285C.609 [(4)] (5).

SECTION 14. ORS 285C.609 is amended to read:

285C.609. (1) A determination under ORS 285C.606 (1) by the Oregon Business Development Commission that a project shall be exempt from property taxation under ORS 307.123 must be requested by official action of the governing body of the county taken at a regular or duly called special meeting [thereof] by the affirmative vote of a majority of its members.

(2)(a) In addition to the official action required under subsection (1) of this section, the county, and the governing body of each other public body that has entered into an agreement, or has made or is expected to make any other arrangement or accommodation, with the business firm in relation to the exemption of the business firm's eligible project, shall each adopt a resolution setting forth the following information related to such agreement, arrangement or accommodation:

(A) Job creation requirements;

(B) The expansion of infrastructure to accommodate any development associated with the eligible project and how the expansion will be financed; and

(C) Any other nonstatutory benefits, whether monetary or otherwise, being offered by the public parties to the agreement, including, but not limited to:

(i) Waivers or reductions of, or credits against, fees;

(ii) Flexibility or priority in local government regulation related to the eligible project; and

(iii) Enhanced public services provided by local government.

(b) All agreements and other arrangements and accommodations that relate to a business firm's decision to locate an eligible project in the county, or to the county's approval of the exemption, are subject to this subsection, whether required under statute or otherwise, including, but not limited to, any form prescribed by the Oregon Business Development Department that is required in the process of claiming the exemption.

(c) A sponsor or other public body required to adopt a resolution under this subsection may redact any information that is exempt from public disclosure under ORS 192.311 to 192.478.

(d) The department may adopt rules for purposes of this subsection.


[(3)(b) [For purposes of this section,] For eligible projects located on a federally recognized Oregon Indian reservation, the governing body of [a] the county in which the eligible project is located shall be considered to be the governing body of the federally recognized Oregon Indian tribe.

(4)(a) Upon receiving a prospective eligible project forwarded under subsection (2) of this section, if the department determines that the eligible project may increase the use of infrastructure located outside the county, the department shall convene a meeting with the sponsor and all adjacent local governments within whose boundaries infrastructure may be so affected.

(b) Upon request, the department shall provide technical assistance to a county proposing an eligible project.

[(4)(5) The county may not make the request under subsection (1) of this section unless, after

[12]
a public hearing:

(a) The county and, if the proposed eligible project will be located within a city, the city have entered into an agreement with the business firm, as described in this subsection.

(b) The agreement provides for the payment of a fee by the business firm, as follows:

(A) The fee shall be for community services support that relates to the direct impact of the eligible project on public services.

(B) The fee shall be in an amount equal to 25 percent of the property taxes that would, but for the exemption, be due on the exempt property in each assessment year, but not exceeding $2.5 million in any year.

(C) The fee shall be paid annually during the tax exemption period, as of a date set forth in the agreement.

(c) The agreement provides for the refunding or crediting of overpayments, for interest on late payments or underpayments and for the manner in which the appeal of the assessed value of the property included in the project will affect the fee.

[(5)] (6) The agreement described in subsection [(4)] (5) of this section may provide for any other requirements related to the project.

[(6)(a)] (7)(a) The fee collected under subsection [(4)(b)] (5)(b) of this section shall be distributed by the county based on an agreement. The agreement is effective only if:

(A) The county and the city, if any, in which the eligible project is located have entered into the agreement; and

(B) Local taxing districts listed in ORS 198.010 or 198.180 that constitute at least 75 percent of the property tax authority of all local taxing districts listed in ORS 198.010 or 198.180 in the code area in which the eligible project is located have entered into the agreement.

(b) If an effective agreement is not entered into under paragraph (a) of this subsection within three months after the date of the determination by the commission under ORS 285C.606 (1), the commission shall, by official action, establish a formula for distributing the fee collected under subsection [(4)(b)] (5)(b) of this section.

SECTION 15. ORS 244.050, as amended by section 1, chapter 66, Oregon Laws 2022, is amended to read:

244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon Government Ethics Commission a verified statement of economic interest as required under this chapter:

(a) The Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of the Bureau of Labor and Industries, district attorneys and members of the Legislative Assembly.

(b) Any judicial officer, including justices of the peace and municipal judges, except any pro tem judicial officer who does not otherwise serve as a judicial officer.

(c) Any candidate for a public office designated in paragraph (a) or (b) of this subsection.

(d) The Deputy Attorney General.

(e) The Deputy Secretary of State.

(f) The Legislative Administrator, the Legislative Counsel, the Legislative Fiscal Officer, the Legislative Policy and Research Director, the Secretary of the Senate, the Chief Clerk of the House of Representatives and the Legislative Equity Officer.

(g) The president and vice presidents, or their administrative equivalents, in each public university listed in ORS 352.002.

(h) The following state officers:
(A) Adjutant General.
(B) Director of Agriculture.
(C) Manager of State Accident Insurance Fund Corporation.
(D) Water Resources Director.
(E) Director of the Department of Environmental Quality.
(F) Director of the Oregon Department of Administrative Services.
(G) State Fish and Wildlife Director.
(H) State Forester.
(I) State Geologist.
(J) Director of Human Services.
(K) Director of the Department of Consumer and Business Services.
(L) Director of the Department of State Lands.
(M) State Librarian.
(N) Administrator of the Oregon Liquor and Cannabis Commission.
(O) Superintendent of State Police.
(P) Director of the Public Employees Retirement System.
(Q) Director of Department of Revenue.
(R) Director of Transportation.
(S) Public Utility Commissioner.
(T) Director of Veterans’ Affairs.
(U) Executive director of Oregon Government Ethics Commission.
(V) Director of the State Department of Energy.
(W) Director and each assistant director of the Oregon State Lottery.
(X) Director of the Department of Corrections.
(Y) Director of the Oregon Department of Aviation.
(Z) Executive director of the Oregon Criminal Justice Commission.
(AA) Director of the Oregon Business Development Department.
(BB) Director of the Oregon Department of Emergency Management.
(CC) Director of the Employment Department.
(DD) State Fire Marshal.
(EE) Chief of staff for the Governor.
(FF) Director of the Housing and Community Services Department.
(GG) State Court Administrator.
(HH) Director of the Department of Land Conservation and Development.
(II) Board chairperson of the Land Use Board of Appeals.
(JJ) State Marine Director.
(KK) Executive director of the Oregon Racing Commission.
(LL) State Parks and Recreation Director.
(MM) Public defense services executive director.
(NN) Chairperson of the Public Employees’ Benefit Board.
(OO) Director of the Department of Public Safety Standards and Training.
(PP) Executive director of the Higher Education Coordinating Commission.
(QQ) Executive director of the Oregon Watershed Enhancement Board.
(RR) Director of the Oregon Youth Authority.
(SS) Director of the Oregon Health Authority.
(TT) Deputy Superintendent of Public Instruction.

(i) The First Partner, the legal counsel, the deputy legal counsel and all policy advisors within the Governor's office.

(j) Every elected city or county official.

(k) Every member of a city or county planning, zoning or development commission.

(L) The chief executive officer of a city or county who performs the duties of manager or principal administrator of the city or county.

(m) Members of local government boundary commissions formed under ORS 199.410 to 199.519.

(n) Every member of a governing body of a metropolitan service district and the auditor and executive officer thereof.

(o) Each member of the board of directors of the State Accident Insurance Fund Corporation.

(p) The chief administrative officer and the financial officer of each common and union high school district, education service district and community college district.

(q) Every member of the following state boards, commissions and councils:

(A) Governing board of the State Department of Geology and Mineral Industries.

(B) Oregon Business Development Commission.

(C) State Board of Education.

(D) Environmental Quality Commission.

(E) Fish and Wildlife Commission of the State of Oregon.

(F) State Board of Forestry.

(G) Oregon Government Ethics Commission.

(H) Oregon Health Policy Board.

(I) Oregon Investment Council.


(K) Oregon Liquor and Cannabis Commission.

(L) Oregon Short Term Fund Board.

(M) State Marine Board.

(N) Mass transit district boards.

(O) Energy Facility Siting Council.

(P) Board of Commissioners of the Port of Portland.

(Q) Employment Relations Board.

(R) Public Employees Retirement Board.

(S) Oregon Racing Commission.

(T) Oregon Transportation Commission.

(U) Water Resources Commission.

(V) Workers' Compensation Board.

(W) Oregon Facilities Authority.

(X) Oregon State Lottery Commission.


(Z) Columbia River Gorge Commission.

(AA) Oregon Health and Science University Board of Directors.

(BB) Capitol Planning Commission.

(CC) Higher Education Coordinating Commission.

(DD) Oregon Growth Board.

(EE) Early Learning Council.
(FF) The Oversight and Accountability Council.

(r) The following officers of the State Treasurer:
(A) Deputy State Treasurer.
(B) Chief of staff for the office of the State Treasurer.
(C) Director of the Investment Division.

(s) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725 or 777.915 to 777.953.
(t) Every member of the board of directors of an authority created under ORS 441.525 to 441.595.
(u) Every member of a governing board of a public university listed in ORS 352.002.
(v) Every member of the district school board of a common school district or union high school district.
(w) Every member of the board of directors of an authority created under ORS 465.600 to 465.621.

(x) Each public official whose official duties include making recommendations or decisions with respect to ad valorem property tax exemptions granted under ORS 285C.050 to 285C.250, 285C.400 to 285C.420 or 285C.600 to 285C.635, including elected officials, appointed officials and public employees.

(2) By April 15 next after the date an appointment takes effect, every appointed public official on a board or commission listed in subsection (1) of this section shall file with the Oregon Government Ethics Commission a statement of economic interest as required under ORS 244.060, 244.070 and 244.090.

(3) By April 15 next after the filing deadline for the primary election, each candidate described in subsection (1) of this section shall file with the commission a statement of economic interest as required under ORS 244.060, 244.070 and 244.090.

(4) Not later than the 40th day before the date of the statewide general election, each candidate described in subsection (1) of this section who will appear on the statewide general election ballot and who was not required to file a statement of economic interest under subsections (1) to (3) of this section shall file with the commission a statement of economic interest as required under ORS 244.060, 244.070 and 244.090.

(5) Subsections (1) to (3) of this section apply only to persons who are incumbent, elected or appointed public officials as of April 15 and to persons who are candidates on April 15.

(6) If a statement required to be filed under this section has not been received by the commission within five days after the date the statement is due, the commission shall notify the public official or candidate and give the public official or candidate not less than 15 days to comply with the requirements of this section. If the public official or candidate fails to comply by the date set by the commission, the commission may impose a civil penalty as provided in ORS 244.350.


SECTION 17. This 2023 Act takes effect on the 91st day after the date on which the 2023 regular session of the Eighty-second Legislative Assembly adjourns sine die.