

HB 2009-7  
(LC 4589)  
6/8/23 (ASD/CMT/ps)

Requested by JOINT COMMITTEE ON TAX EXPENDITURES

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2009**

1 On page 1 of the printed bill, line 2, after “285C.115,” insert “285C.135,”.

2 In line 3, after “285C.255,” insert “285C.403,” and delete “285C.409,  
3 285C.412,” and insert “285C.600,”.

4 In line 4, delete “285C.635,” and delete “, 317.850 and 318.031” and insert  
5 “and 317.850”.

6 In line 20, delete “or 318”.

7 On page 2, line 3, delete “25” and insert “20”.

8 Delete lines 7 through 11 and insert:

9 “(c) Section 41(c)(4) of the Internal Revenue Code (relating to the alter-  
10 native incremental credit) does not apply to the credit allowable under this  
11 section.”.

12 Delete lines 16 through 19 and insert:

13 “(4) The maximum credit under this section may not exceed \$5 million for  
14 any taxpayer.

15 “(5) Prior to claiming a credit under this section, a taxpayer must obtain  
16 from the Oregon Business Development Department:

17 “(a) If applicable, approval from the Oregon Business Development De-  
18 partment as provided in section 4a of this 2023 Act.

19 “(b) Certification as provided in section 4 of this 2023 Act.”.

20 In line 23, delete “Department of Revenue” and insert “Oregon Business  
21 Development Department”.

1 On page 3, delete lines 5 through 9 and insert:

2 “(2) If the taxpayer employs, in Oregon:

3 “(a) At least 150 employees but fewer than 500 employees at the close of  
4 the tax year, the amount of credit used in the calculation in subsection (1)  
5 of this section shall be reduced by 50 percent.

6 “(b) At least 500 employees but fewer than 3,000 employees at the close  
7 of the tax year, the amount of credit used in the calculation in subsection  
8 (1) of this section shall be reduced by 75 percent.

9 “(3) Any amount not available for refund due to subsection (2) of this  
10 section may be carried forward as provided in section 2 (9) of this 2023 Act.

11 “(4) This section applies only to taxpayers with fewer than 3,000 employ-  
12 ees who are employed in Oregon at the close of the tax year.”.

13 After line 30, insert:

14 **“SECTION 4a. (1) In order to be allowed a credit under section 2**  
15 **of this 2023 Act for a tax year beginning in calendar year 2024, a tax-**  
16 **payer that intends to claim the credit for that tax year shall file with**  
17 **the Oregon Business Development Department an application, not**  
18 **later than December 1, 2023.**

19 **“(2) The application required under this section shall be submitted**  
20 **in a form and manner prescribed by the department by rule and shall**  
21 **include:**

22 **“(a) Documentation of the taxpayer’s qualified research expenses**  
23 **and basic research expenses under section 2 of this 2023 Act, averaged**  
24 **over the three preceding calendar years; and**

25 **“(b) A projection, for the tax year beginning in calendar year 2024,**  
26 **of the taxpayer’s qualified research expenses and basic research ex-**  
27 **penses under section 2 of this 2023 Act.**

28 **“(3) Not later than December 31, 2023, the department shall provide**  
29 **taxpayers that have timely submitted applications under this section**  
30 **with acknowledgment of receipt of an application and shall provide**

1 preliminary confirmation that the taxpayer appears eligible for the  
2 credit allowed under section 2 of this 2023 Act.

3 “(4) Any taxpayer that does not submit an application as required  
4 under this section is not eligible to claim a credit under section 2 of  
5 this 2023 Act for a tax year beginning in calendar year 2024.

6 “SECTION 4b. The Legislative Revenue Officer shall prepare a re-  
7 port detailing the information submitted by applicants under section  
8 4a of this 2023 Act. Not later than March 1, 2024, the officer shall  
9 submit the report, in the manner provided by ORS 192.245, to the in-  
10 terim committees of the Legislative Assembly related to revenue.

11 “SECTION 4c. Section 4b of this 2023 Act is repealed on January 2,  
12 2025.”.

13 In line 32, delete “preliminary”.

14 On page 5, delete lines 10 through 19 and insert:

15 “NOTE: Section 9 was deleted by amendment. Subsequent sections were  
16 not renumbered.”.

17 Delete lines 28 through 45.

18 On page 6, delete lines 1 through 26 and insert:

19 “SECTION 11. ORS 285C.255 is amended to read:

20 “285C.255. (1) Notwithstanding any other provision of ORS 285C.050 to  
21 285C.250:

22 “(a) An area may not be designated as an enterprise zone after June 30,  
23 [2025] **2032**;

24 “(b) A business firm may not obtain authorization under ORS 285C.140  
25 after June 30, [2025] **2032**; and

26 “(c) An enterprise zone, except for a reservation enterprise zone or a  
27 reservation partnership zone, that is in existence on June 29, [2025] **2032**, is  
28 terminated on June 30, [2025] **2032**.

29 “(2) Notwithstanding subsection (1) of this section:

30 “(a) A reservation enterprise zone may be designated, and a reservation

1 partnership zone may be cosponsored, under ORS 285C.306 after June 30,  
2 [2025] **2032**; and

3 “(b) A business firm may obtain authorization under ORS 285C.140 after  
4 June 30, [2025] **2032**:

5 “(A) If located in a reservation enterprise zone or a reservation partner-  
6 ship zone; or

7 “(B) As allowed under ORS 285C.245 [(1)(b)] **(6)**.

8 **“SECTION 12.** ORS 285C.406 is amended to read:

9 “285C.406. In order for a taxpayer to claim the property tax exemption  
10 under ORS 285C.409 or a corporate excise or income tax credit under ORS  
11 317.124:

12 “(1) The written agreement between the business firm and the rural en-  
13 terprise zone sponsor that is required under ORS 285C.403 (3)(c) must be  
14 entered into prior to the termination of the enterprise zone under ORS  
15 285C.245 **or 285C.255 (1)(c)**; and

16 “(2)(a) For the purpose of the property tax exemption, the business firm  
17 must obtain certification under ORS 285C.403 on or before June 30, [2025]  
18 **2032**; or

19 “(b) For the purpose of the corporate excise or income tax credit, the  
20 business firm must obtain certification under ORS 285C.403 on or before June  
21 30, 2018.

22

23 **“ENTERPRISE ZONE TRANSPARENCY**

24

25 **“SECTION 13.** Section 14 of this 2023 Act is added to and made a  
26 **part of ORS 285C.050 to 285C.250.**

27 **“SECTION 14.** (1)(a) An agreement between a zone sponsor and a  
28 **business firm seeking exemption within the enterprise zone of the**  
29 **sponsor, including, but not limited to, an agreement entered into un-**  
30 **der ORS 285C.160, may not become effective before the day that is 21**

1 days following the date on which the zone sponsor makes the terms  
2 of the agreement public by posting them on the zone sponsor's  
3 website. The name and any confidential or proprietary information of  
4 the business firm may not be made public under this subsection.

5 “(b) The Oregon Business Development Department may adopt  
6 rules to implement this subsection.

7 “(2) Upon request, the department shall provide technical assistance  
8 to a zone sponsor intending to enter into an agreement with a business  
9 firm.

10 “SECTION 15. Section 16 of this 2023 Act is added to and made a  
11 part of ORS 285C.400 to 285C.420.

12 “SECTION 16. (1)(a) An agreement between a zone sponsor and a  
13 business firm seeking exemption within the rural enterprise zone of  
14 the sponsor, including, but not limited to, a written agreement entered  
15 into under ORS 285C.403, may not become effective before the day that  
16 is 21 days following the date on which the zone sponsor makes the  
17 terms of the agreement public by posting them on the zone sponsor's  
18 website. The name and any confidential or proprietary information of  
19 the business firm may not be made public under this subsection.

20 “(b) The Oregon Business Development Department may adopt  
21 rules to implement this subsection.

22 “(2) Upon request, the department shall provide technical assistance  
23 to a zone sponsor intending to enter into an agreement with a business  
24 firm.

25 “SECTION 16a. ORS 276A.256 is amended to read:

26 “276A.256. (1) For each statute that authorizes a tax expenditure with a  
27 purpose connected to economic development and that is listed in subsection  
28 (2) of this section, the state agency charged with certifying or otherwise  
29 administering the tax expenditure shall submit a report to the State Chief  
30 Information Officer. If a statute does not exist to authorize a state agency

1 to certify or otherwise administer the tax expenditure, or if a statute does  
2 not provide for certification or administration of the tax expenditure, the  
3 Department of Revenue shall submit the report.

4 “(2) This section applies to:

5 “(a) ORS 285C.175, 285C.362, **285C.409**, 307.123, 307.455, 315.141, 315.331,  
6 315.336, 315.341, 315.506, 315.507, 315.514, 315.533, 316.698, 316.778, 317.124,  
7 317.391 and 317.394 and sections 1 to 5, chapter 112, Oregon Laws 2016.

8 “(b) Grants awarded under ORS 469B.256 in any tax year in which certi-  
9 fied renewable energy contributions are received as provided in ORS 315.326.

10 “(c) ORS 315.354 except as applicable in ORS 469B.145 (2)(a)(L) or (N).

11 “(d) ORS 316.116, if the allowed credit exceeds \$2,000.

12 “(3) The following information, if the information is already available in  
13 an existing database the state agency maintains, must be included in the  
14 report required under this section:

15 “(a) The name of each taxpayer or applicant approved for the allowance  
16 of a tax expenditure or a grant award under ORS 469B.256.

17 “(b) The address of each taxpayer or applicant.

18 “(c) The total amount of credit against tax liability, reduction in taxable  
19 income or exemption from property taxation granted to each taxpayer or  
20 applicant.

21 “(d) Specific outcomes or results required by the tax expenditure program  
22 and information about whether the taxpayer or applicant meets those re-  
23 quirements. This information must be based on data the state agency has  
24 already collected and analyzed in the course of administering the tax ex-  
25 penditure. Statistics must be accompanied by a description of the methodol-  
26 ogy employed in the statistics.

27 “(e) An explanation of the state agency’s certification decision for each  
28 taxpayer or applicant, if applicable.

29 “(f) Any additional information that the taxpayer or applicant submits  
30 and that the state agency relies on in certifying the determination.

1 “(g) Any other information that state agency personnel deem valuable as  
2 providing context for the information described in this subsection.

3 “(4) The information reported under subsection (3) of this section may not  
4 include proprietary information or information that is exempt from disclo-  
5 sure under ORS 192.311 to 192.478 or 314.835.

6 “(5) No later than September 30 of each year, a state agency described in  
7 subsection (1) of this section shall submit to the State Chief Information  
8 Officer the information required under subsection (3) of this section as ap-  
9 plicable to applications for allowance of tax expenditures the state agency  
10 approved during the agency fiscal year ending during the current calendar  
11 year. The information must then be posted on the Oregon transparency  
12 website described in ORS 276A.253 no later than December 31 of the same  
13 year.

14 “(6)(a) In addition to the information described in subsection (3) of this  
15 section, the State Chief Information Officer shall post on the Oregon trans-  
16 parency website:

17 “(A) Copies of all reports that the State Chief Information Officer, the  
18 Department of Revenue or the Oregon Business Development Department  
19 receives from counties and other local governments relating to properties in  
20 enterprise zones that have received tax exemptions under ORS 285C.170,  
21 285C.175 or 285C.409, or that are eligible for tax exemptions under ORS  
22 315.506, 315.507 or 317.124 by reason of being in an enterprise zone; and

23 “(B) Copies of any annual reports that agencies described in subsection  
24 (1) of this section are required by law to produce regarding the adminis-  
25 tration of statutes listed in subsection (2) of this section.

26 “(b) The reports must be submitted to the State Chief Information Officer  
27 in a manner and format that the State Chief Information Officer prescribes.

28 “(7) The information described in this section that is available on the  
29 Oregon transparency website must be accessible in the format and manner  
30 required by the State Chief Information Officer.

1 “(8) The information described in this section must be provided to the  
2 Oregon transparency website by posting reports and providing links to ex-  
3 isting information systems applications in accordance with standards estab-  
4 lished by the State Chief Information Officer.”.

5 On page 7, delete lines 19 through 45.

6 Delete pages 8 through 11.

7 On page 12, delete lines 1 and 2 and insert:

8  
9 **“INELIGIBILITY OF FULFILLMENT CENTERS**

10  
11 **“SECTION 23a.** ORS 285C.135 is amended to read:

12 “285C.135. (1) To be an eligible business firm, a business firm must be  
13 engaged, or proposing to engage, within the enterprise zone, in the business  
14 of providing goods, products or services to businesses or other organizations  
15 through activities including, but not limited to, manufacturing, assembly,  
16 fabrication, processing, shipping or storage.

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

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

21 “(b) Significantly engaged in a business activity within the enterprise  
22 zone that consists of retail sales or services, child care, housing, retail food  
23 service, health care, tourism, entertainment, financial services, professional  
24 services, leasing space to others, property management, construction or other  
25 similar activities, even if for another business or organization.

26 **“(c) Significantly engaged in operating a fulfillment center within**  
27 **the enterprise zone from which deliveries are made to retail purchas-**  
28 **ers within, or in the region surrounding, the enterprise zone.**

29 “(3) If a business firm described in subsection (2) of this section engages  
30 in an activity described in subsection (1) of this section, the business firm



1 is an eligible business firm if the activity is performed at a location that is  
2 separate from the activity of the firm that is described in subsection (2) of  
3 this section. Property at the location at which the firm conducts an activity  
4 described in subsection (2) of this section may not be exempt under ORS  
5 285C.175.

6 “(4) Two or more business firms that otherwise meet the requirements of  
7 this section may elect to be treated as one eligible business firm if 100 per-  
8 cent of the equity interest in the business firms is owned by the same person  
9 or persons, or if one of the business firms owns 100 percent of the equity  
10 interest of the other or others.

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

14 “(a) A business firm engaged in the activity of providing a retail or fi-  
15 nancial service within the enterprise zone if:

16 “(A) The activity serves customers by responding to orders or requests  
17 received only by telephone, computer, the Internet or similar means of tele-  
18 communications; and

19 “(B) Not less than 90 percent of the customers or orders are located and  
20 originate in an area from which long distance telephone charges, in the ab-  
21 sence of a toll-free number, would apply if the order were placed by tele-  
22 phone.

23 “(b) A business firm that operates a facility within the enterprise zone  
24 that serves statewide, regional, national or global operations of the firm  
25 through administrative, design, financial, management, marketing or other  
26 activities, without regard to the relationship of these activities to any oth-  
27 erwise eligible activities within the enterprise zone.

28 “(c) A business firm that operates a hotel, motel or destination resort in  
29 the enterprise zone if the sponsor has elected under ORS 285C.070 to treat  
30 a business firm engaged in hotel, motel or destination resort operations in

1 an enterprise zone as an eligible business firm.

2 “(d) A business firm that is engaged in electronic commerce if the enter-  
3 prise zone has been designated for electronic commerce under ORS 285C.095.

4 “**NOTE:** Amendments to ORS 285C.403 that would otherwise appear under  
5 the heading ‘Ineligibility of Fulfillment Centers’ are made by section 47 be-  
6 low under the heading ‘School District Fee in Lieu of Property Tax.’

7 “**SECTION 23b. The amendments to ORS 285C.135 by section 23a of**  
8 **this 2023 Act apply to determinations of a business firm’s eligibility**  
9 **made on or after the effective date of this 2023 Act.**

10 “**NOTE:** Sections 24 to 27 were deleted by amendment. Subsequent  
11 sections were not renumbered.”.

12 On page 17, delete lines 3 through 5 and insert:

13 “**NOTE:** Section 35 was deleted by amendment. Subsequent sections were  
14 not renumbered.”.

15 Delete lines 18 through 26 and insert:

16 “(2) The minimum total costs required under subsection (1)(c) of this  
17 section shall be adjusted each year for the property tax year beginning on  
18 July 1 by multiplying \$150 million and \$40 million, respectively, by the ratio  
19 of the increase, if any, in the monthly averaged Consumer Price Index for  
20 All Urban Consumers, West Region, for the 12 consecutive months ending  
21 December 31 of the prior calendar year over the monthly averaged index for  
22 the 12 consecutive months ending December 31, 2023. The amount of any in-  
23 crease determined under this subsection shall be rounded to the nearest  
24 multiple of \$100,000.”.

25 On page 18, delete lines 40 and 41 and insert:

26 “(a) The county and, if the proposed zone will be located within the  
27 boundaries of a city or port, the city or port have entered into an agreement  
28 described in this subsection.”.

29 On page 19, delete lines 17 through 21 and insert:

30 “(A) The county and the city or port, if any, in which the eligible project

1 is located have entered into the agreement; and

2 “(B) Local taxing districts listed in ORS 198.010 or 198.180, other than  
3 ports, that constitute at least 75 percent of the property tax authority of all  
4 local taxing districts listed in ORS 198.010 or 198.180, other than ports, that  
5 are in the code area in which the eligible project is located have entered into  
6 the agreement.”.

7 Delete lines 32 through 45.

8 Delete page 20.

9 On page 21, delete lines 1 through 24 and insert:

10 **“SECTION 38.** ORS 285C.609 is amended to read:

11 “285C.609. (1) A determination under ORS 285C.606 (1) by the Oregon  
12 Business Development Commission that a project shall be exempt from  
13 property taxation under ORS 307.123 must be requested by official action of  
14 the governing body of the county taken at a regular or duly called special  
15 meeting thereof by the affirmative vote of a majority of its members.

16 “(2) The governing body of any Oregon county shall forward appropriate  
17 prospective eligible projects to the Oregon Business Development Depart-  
18 ment for processing.

19 “(3) For purposes of this section, for projects located on a federally re-  
20 cognized Oregon Indian reservation, the governing body of a county shall be  
21 considered to be the governing body of the federally recognized Oregon In-  
22 dian tribe.

23 “(4) The county may not make the request under subsection (1) of this  
24 section unless, after a public hearing:

25 “(a)(A) The county and, if the proposed eligible project will be located  
26 within **the boundaries of a city or port**, the city **or port** have entered into  
27 an agreement with the business firm, as described in this subsection.

28 **“(B) The Oregon Business Development Department shall make**  
29 **available, in a timely manner, training materials related to negoti-**  
30 **ation techniques in such circumstances to the county, city or port, as**

1 **applicable.**

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

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

6 “(B) The fee shall be in an amount equal to 25 percent of the property  
7 taxes that would, but for the exemption, be due on the exempt property in  
8 each assessment year, but not exceeding [~~\$2.5~~] **\$3** million in any year.

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

11 “(c) The agreement provides for the refunding or crediting of overpay-  
12 ments, for interest on late payments or underpayments and for the manner  
13 in which the appeal of the assessed value of the property included in the  
14 project will affect the fee.

15 “**(5) The maximum fee amount allowed under subsection (4)(b) of**  
16 **this section shall be adjusted each year for the property tax year be-**  
17 **ginning on July 1 by multiplying \$3 million by the ratio of the in-**  
18 **crease, if any, in the monthly averaged Consumer Price Index for All**  
19 **Urban Consumers, West Region, for the 12 consecutive months ending**  
20 **December 31 of the prior calendar year over the monthly averaged in-**  
21 **dex for the 12 consecutive months ending December 31, 2023. The**  
22 **amount of any increase determined under this subsection shall be**  
23 **rounded to the nearest multiple of \$1,000.**

24 “[~~5~~] **(6)** The agreement described in subsection (4) of this section may  
25 provide for any other requirements related to the project.

26 “[~~6(a)~~] **(7)(a)** The fee collected under subsection (4)(b) of this section  
27 shall be distributed by the county based on an agreement. The agreement is  
28 effective only if **the following public bodies have entered into the**  
29 **agreement:**

30 “(A) The county and the city **or port**, if any, in which the eligible project

1 is located *[have entered into the agreement]*; *[and]*

2 “(B) All special districts in the code area in which the eligible  
3 project is located that provide services related to public safety, fire  
4 prevention and response, ambulance or other emergency medical re-  
5 sponse or emergency communications; and

6 “[*(B)*] (C) Local taxing districts listed in ORS 198.010 or 198.180, **other**  
7 **than ports**, that constitute at least 75 percent of the property tax authority  
8 of all local taxing districts listed in ORS 198.010 or 198.180, **other than**  
9 **ports**, in the code area in which the eligible project is located *[have entered*  
10 *into the agreement]*.

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

16 “**NOTE:** Section 39 was deleted by amendment. Subsequent sections were  
17 not renumbered.”.

18 Delete line 33 and insert:

19 “(A) \$100 million, adjusted annually for inflation since 2024 based on the  
20 Consumer Price Index for All Urban Consumers, West Region (All Items),  
21 as published by the Bureau of Labor Statistics of the United States Depart-  
22 ment of Labor, and rounded to the nearest multiple of \$100,000; or”.

23 In line 36, delete “\$60” and insert “\$75”.

24 On page 22, after line 20, insert:

25 “**SECTION 40a.** ORS 285C.600 is amended to read:

26 “285C.600. As used in ORS 285C.600 to 285C.635:

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

28 “(2) ‘**Consumer Price Index for All Urban Consumers, West**  
29 **Region’ means the Consumer Price Index for All Urban Consumers,**  
30 **West Region (All Items), as published by the Bureau of Labor Statis-**

1 **tics of the United States Department of Labor.**

2 “[2] (3) ‘Eligible project’ means a project that meets criteria established  
3 by the Oregon Business Development Commission to be exempt from property  
4 taxation under ORS 307.123.

5 “[3] (4) ‘First-source hiring agreement’ has the meaning given that term  
6 in ORS 285C.050.

7 “[4] (5) ‘Newly created jobs’ means, for an eligible project, total jobs less  
8 retained jobs.

9 “[5] (6) ‘Publicly funded job training provider’ has the meaning given  
10 that term in ORS 285C.050.

11 “[6] (7) ‘Rural area’ means an area located entirely outside of the urban  
12 growth boundary of a city with a population of 40,000 or more, as the urban  
13 growth boundary is acknowledged on the date on which an applicant submits  
14 an application, pursuant to rules adopted by the Oregon Business Develop-  
15 ment Department, for property tax exemption under ORS 307.123.

16 “[7] (8) ‘Strategic investment zone’ means a geographic area established  
17 under ORS 285C.623, within which the property of eligible projects may be  
18 exempt from property taxation under ORS 307.123.”.

19 Delete lines 24 through 45.

20 On page 23, delete lines 1 through 39 and insert:

21 **“SECTION 41. (1) The amendments to ORS 285C.606 by section 36**  
22 **of this 2023 Act apply to business firms first claiming exemption for**  
23 **eligible property under ORS 307.123 on or after the effective date of**  
24 **this 2023 Act for property tax years beginning on or after July 1, 2024.**

25 **“(2) The amendments to ORS 285C.609 by section 38 of this 2023 Act**  
26 **apply to agreements negotiated by counties and cities on or after the**  
27 **effective date of this 2023 Act for property tax years beginning on or**  
28 **after July 1, 2024.**

29 **“(3) The amendments to ORS 307.123 by section 40 of this 2023 Act**  
30 **apply to property determined to be an eligible project on or after the**

1 effective date of this 2023 Act for property tax years beginning on or  
2 after July 1, 2024.

3 **“SECTION 42.** The amendments to ORS 285C.623 by section 37 of  
4 this 2023 Act apply to property tax years beginning on or after July 1,  
5 2024.

6 **“SECTION 43.** The Legislative Revenue Officer shall conduct a re-  
7 view of the strategic investment program established under ORS  
8 285C.600 to 285C.635 and 307.123. Not later than October 1, 2034, the  
9 department shall submit a report of the findings of the review, in the  
10 manner provided by ORS 192.245, to the interim committees of the  
11 Legislative Assembly related to revenue, and may include recommen-  
12 dations for legislation in the report.

13

14 **“SCHOOL DISTRICT FEE IN LIEU OF PROPERTY TAX**

15

16 **“SECTION 44.** ORS 285C.160 is amended to read:

17 “285C.160. (1) An eligible business firm seeking authorization under ORS  
18 285C.140 and the sponsor of the enterprise zone in which the firm intends to  
19 invest may enter into a written agreement to extend the period during which  
20 the qualified property is exempt from taxation under ORS 285C.175 if the  
21 firm complies with the terms of the agreement.

22 “(2)(a) The period for which the qualified property is to continue to be  
23 exempt must be set forth in the agreement and may not exceed two addi-  
24 tional tax years.

25 **“(b) The agreement must provide that its effectiveness is condi-  
26 tioned upon compliance with section 46 of this 2023 Act.**

27 “(3) In order for an agreement under this section to extend the period of  
28 exemption, the agreement must be executed on or before the date on which  
29 the firm is authorized, and:

30 “(a) If the enterprise zone is a rural enterprise zone or an urban enter-

1   prise zone located inside a metropolitan statistical area of fewer than 400,000  
2   residents, the agreement must require that the firm:

3       “(A)(i) Annually compensate all new employees hired by the firm at an  
4   average rate of at least 150 percent of the county average annual wage for  
5   each assessment year during the tax exemption period, as determined at the  
6   time of authorization; or

7       “(ii) If the enterprise zone is located in a qualified rural county, annually  
8   compensate all new employees hired by the firm at an average rate of at least  
9   130 percent of the county average annual wage for each assessment year  
10   during the tax exemption period, as determined at the time of authorization;  
11   and

12       “(B) Meet any additional requirement that the sponsor may reasonably  
13   request.

14       “(b) Notwithstanding paragraph (a)(A) of this subsection, the average  
15   wage received by the newly hired employees must equal or exceed 100 percent  
16   of the average wage in the county.

17       “(c) If the enterprise zone is an urban enterprise zone located inside a  
18   metropolitan statistical area of 400,000 residents or more, the agreement  
19   must require that the firm meet any additional requirement the sponsor may  
20   reasonably require.

21       “(4) If a firm enters into an agreement under this section that includes  
22   a compensation requirement under subsection (3)(a)(A) of this section and  
23   the firm subsequently submits one or more statements of continued intent  
24   under ORS 285C.165, notwithstanding the terms of the agreement made under  
25   this section, for each statement of continued intent submitted, the county  
26   average annual wage under subsection (3)(a)(A) of this section shall be ad-  
27   justed to a level that is current with the statement.

28       **“SECTION 45. Section 46 of this 2023 Act is added to and made a**  
29   **part of ORS 285C.050 to 285C.250.**

30       **“SECTION 46. (1) As used in this section, ‘affected school district’**



1 means a school district as defined in ORS 332.002 (2) in which the  
2 qualified property of a business firm granted exemption under ORS  
3 285C.175 is located.

4 “(2) Before an agreement entered into under ORS 285C.160 by the  
5 governing body of a zone sponsor and a business firm may take effect,  
6 the parties to the agreement must enter into a fee agreement with the  
7 governing bodies of all affected school districts that requires the  
8 business firm to pay a fee in lieu of the property taxes that would  
9 otherwise be imposed by a school district on the business firm’s qual-  
10 ified property.

11 “(3)(a) The amount of the fee for each affected school district shall  
12 be the product of multiplying the following amounts by each other:

13 “(A) \_\_\_\_\_;

14 “(B) The district extended ADMw of the affected school district as  
15 calculated under ORS 327.013; and

16 “(C) The real market value as of the assessment date of the year  
17 for which the calculation is made of the exempt property divided by  
18 \$10,000.

19 “(b) The total amount of the fees for all affected school districts  
20 imposed on exempt property may not exceed the amount of property  
21 taxes that would have been imposed on the property if it had not been  
22 granted the exemption.

23 “(4)(a) On or before November 1 following the beginning of the  
24 fourth and fifth property tax years for which an exemption under ORS  
25 285C.175 is granted, the governing body of the zone sponsor shall pro-  
26 vide to the governing body of each affected school district all infor-  
27 mation necessary for the affected school district to collect the fee  
28 directly from the business firm.

29 “(b) On or before each following December 1, the governing body  
30 of each affected school district shall send to the business firm a notice

1 of the required fee payment that includes at a minimum the amount  
2 due, the property tax year to which the fee relates, the date after  
3 which the payment shall be considered delinquent, the means and  
4 schedule for curing a delinquency and any other information the  
5 agreement entered into under this section may require.

6 “(5)(a) If a fee payment is delinquent for more than 60 days beyond  
7 the date allowed for curing the delinquency, the governing body of  
8 each affected school district shall give written notice of the delin-  
9 quency to the business firm and the assessor of the county in which  
10 the affected school district is situated.

11 “(b) Upon receipt of the written notice under paragraph (a) of this  
12 subsection, the assessor shall:

13 “(A) Disqualify the property for the property tax years, if any, for  
14 which exemption under ORS 285C.175 would otherwise be allowable  
15 following the disqualifying event; and

16 “(B) Impose the amount of the outstanding fee along with addi-  
17 tional taxes in accordance with ORS 285C.240.

18 “(6) The amount determined to be due under subsection (5) of this  
19 section:

20 “(a) May be paid to the tax collector before completion of the next  
21 general property tax roll pursuant to ORS 311.370; and

22 “(b) Shall be added to the tax extended against the property on the  
23 next general property tax roll.

24 “(7) Fee amounts and any interest or penalties imposed on the fee  
25 amounts collected under this section shall be distributed to the af-  
26 fected school districts to which they are owed in the same proportion  
27 that the amount of each outstanding fee bears to the amount of the  
28 total outstanding fees for the property tax year to which the delin-  
29 quency relates.

30 “(8) Amounts collected under this section shall be deemed to have

1 **been imposed for the property tax year to which the fee payment re-**  
2 **lates.**

3 **“(9) The fee shall be considered moneys received in lieu of property**  
4 **taxes for purposes of ORS 327.011 (1)(g).**

5 **“(10) The amount of a fee and any interest or penalties imposed on**  
6 **the fee, and the disqualification of qualified property under this sec-**  
7 **tion, may be appealed to the Oregon Tax Court under ORS 305.404 to**  
8 **305.560.**

9 **“SECTION 47. ORS 285C.403 is amended to read:**

10 **“285C.403. (1)(a) [Any] A business firm proposing to apply for the tax**  
11 **exemption provided under ORS 285C.409 shall, before the commencement of**  
12 **construction or installation of property or improvements at a location in a**  
13 **rural enterprise zone and before the hiring of employees, apply for certifica-**  
14 **tion with the sponsor of the zone and with the county assessor of the county**  
15 **or counties in which the zone is located. [The application shall be made on**  
16 **a form prescribed by the Department of Revenue.]**

17 **“(b) A business firm may not be certified under this section if it is**  
18 **significantly engaged in operating a fulfillment center within the rural**  
19 **enterprise zone from which deliveries are made to retail purchasers**  
20 **within, or in the region surrounding, the rural enterprise zone.**

21 **“(2) [The] An application for certification shall be made on a form**  
22 **prescribed by the Department of Revenue and shall contain the follow-**  
23 **ing information:**

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

26 **“(b) A description and estimated cost or value of the property or im-**  
27 **provements to be constructed or installed at the facility;**

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

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

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

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

6 “(3) The sponsor and the county assessor shall certify the business firm  
7 by approving the application if the sponsor and the county assessor deter-  
8 mine that all of the following requirements have been met:

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

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

14 “(c) The business firm has entered into a written agreement with the  
15 sponsor of the rural enterprise zone that [*may include any additional re-*  
16 *quirements that the sponsor may reasonably request, including but not limited*  
17 *to contributions for local services or infrastructure benefiting the facility. The*  
18 *written agreement shall state the number of consecutive tax years for which the*  
19 *facility, following commencement of operations, is to be exempt from property*  
20 *tax under ORS 285C.409. The agreement may not provide for a period of ex-*  
21 *emption that is less than seven consecutive tax years or more than 15 consec-*  
22 *utive tax years. If the agreement is silent on the number of tax years for which*  
23 *the facility is to be exempt following placement in service, the exemption shall*  
24 *be for seven consecutive tax years] **conforms to subsection (4) of this sec-**  
25 **tion.***

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

28 “(A) A qualified rural county; or

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

1       “(4)(a)(A) The written agreement required under subsection (3)(c)  
2 of this section shall state the number of consecutive tax years for  
3 which the facility, following commencement of operations, is to be  
4 exempt from property tax under ORS 285C.409.

5       “(B) The agreement may not provide for a period of exemption that  
6 is less than seven consecutive tax years or more than 15 consecutive  
7 tax years.

8       “(C) If the agreement is silent on the number of tax years for which  
9 the facility is to be exempt following placement in service, the ex-  
10 emption shall be for seven consecutive tax years.

11       “(b) The agreement must provide that its effectiveness is condi-  
12 tioned upon compliance with section 49 of this 2023 Act.

13       “(c) The agreement may include any additional requirements that  
14 the sponsor may reasonably request, including but not limited to  
15 contributions for local services or infrastructure benefiting the facil-  
16 ity.

17       “[(4)] (5) The approval of an application by both the sponsor and the  
18 county assessor under subsection (3) of this section shall be prima facie ev-  
19 idence that the business firm will qualify for the property tax exemption  
20 under ORS 285C.409.

21       “[(5)] (6) The sponsor and the county assessor shall provide copies of an  
22 approved application to the applicant, the Department of Revenue and the  
23 Oregon Business Development Department.

24       “[(6)] (7) If the sponsor or the county assessor fails or refuses to certify  
25 the business firm, the business firm may appeal to the Oregon Tax Court  
26 under ORS 305.404 to 305.560. The business firm shall provide copies of the  
27 firm’s appeal to the sponsor, the county assessor, the Oregon Business De-  
28 velopment Department and the Department of Revenue.

29       “**SECTION 48. Section 49 of this 2023 Act is added to and made a**  
30 **part of ORS 285C.400 to 285C.420.**

1       **“SECTION 49. (1) As used in this section, ‘affected school district’**  
2 **means a school district as defined in ORS 332.002 (2) in which the fa-**  
3 **ility of a business firm granted exemption under ORS 285C.409 is lo-**  
4 **cated.**

5       **“(2) Before an agreement entered into under ORS 285C.403 by the**  
6 **governing body of a zone sponsor and a business firm may take effect,**  
7 **the parties to the agreement must enter into a fee agreement with the**  
8 **governing bodies of all affected school districts that requires the**  
9 **business firm to pay a fee in lieu of the property taxes that would**  
10 **otherwise be imposed by a school district on the business firm’s facil-**  
11 **ity for each year of exemption after the fifth year.**

12       **“(3)(a) The amount of the fee for each affected school district shall**  
13 **be the product of multiplying the following amounts by each other:**

14       **“(A) \_\_\_\_\_;**

15       **“(B) The district extended ADMw of the affected school district as**  
16 **calculated under ORS 327.013; and**

17       **“(C) The real market value as of the assessment date of the year**  
18 **for which the calculation is made of the exempt property divided by**  
19 **\$10,000.**

20       **“(b) The total amount of the fees for all affected school districts**  
21 **imposed on exempt property may not exceed the amount of property**  
22 **taxes that would have been imposed on the property if it had not been**  
23 **granted the exemption.**

24       **“(4)(a) On or before November 1 following the beginning of the sixth**  
25 **and each subsequent property tax year for which an exemption under**  
26 **ORS 285C.409 is granted, the governing body of the zone sponsor shall**  
27 **provide to the governing body of each affected school district all in-**  
28 **formation necessary for the affected school district to collect the fee**  
29 **directly from the business firm.**

30       **“(b) On or before each following December 1, the governing body**

1 of each affected school district shall send to the business firm a notice  
2 of the required fee payment that includes at a minimum the amount  
3 due, the property tax year to which the fee relates, the date after  
4 which the payment shall be considered delinquent, the means and  
5 schedule for curing a delinquency and any other information the  
6 agreement entered into under this section may require.

7 “(5)(a) If a fee payment is delinquent for more than 60 days beyond  
8 the date allowed for curing the delinquency, the governing body of  
9 each affected school district shall give written notice of the delin-  
10 quency to the business firm and the assessor of the county in which  
11 the affected school district is situated.

12 “(b) Upon receipt of the written notice under paragraph (a) of this  
13 subsection, the assessor shall:

14 “(A) Disqualify the facility for the property tax years, if any, for  
15 which exemption under ORS 285C.409 would otherwise be allowable  
16 following the disqualifying event; and

17 “(B) Impose the amount of the outstanding fee along with addi-  
18 tional taxes in accordance with ORS 285C.420.

19 “(6) The amount determined to be due under subsection (5) of this  
20 section:

21 “(a) May be paid to the tax collector before completion of the next  
22 general property tax roll pursuant to ORS 311.370; and

23 “(b) Shall be added to the tax extended against the facility on the  
24 next general property tax roll.

25 “(7) Fee amounts and any interest or penalties imposed on the fee  
26 amounts collected under this section shall be distributed to the af-  
27 fected school districts to which they are owed in the same proportion  
28 that the amount of each outstanding fee bears to the amount of the  
29 total outstanding fees for the property tax year to which the delin-  
30 quency relates.

1       **“(8) Amounts collected under this section shall be deemed to have**  
2 **been imposed for the property tax year to which the fee payment re-**  
3 **lates.**

4       **“(9) The fee shall be considered moneys received in lieu of property**  
5 **taxes for purposes of ORS 327.011 (1)(g).**

6       **“(10) The amount of a fee and any interest or penalties imposed on**  
7 **the fee, and the disqualification of a facility under this section, may**  
8 **be appealed to the Oregon Tax Court under ORS 305.404 to 305.560.**

9       **“SECTION 50. (1) Section 46 of this 2023 Act and the amendments**  
10 **to ORS 285C.160 by section 44 of this 2023 Act apply to agreements en-**  
11 **tered into under ORS 285C.160 on or after the effective date of this 2023**  
12 **Act for property tax years beginning on or after July 1, 2024.**

13       **“(2) Section 49 of this 2023 Act and the amendments to ORS 285C.403**  
14 **(3) and (4) by section 47 of this 2023 Act apply to agreements entered**  
15 **into under ORS 285C.403 (3)(c) on or after the effective date of this 2023**  
16 **Act for property tax years beginning on or after July 1, 2024.**

17       **“(3) The amendments to ORS 285C.403 (1) and (2) by section 47 of**  
18 **this 2023 Act apply to applications for certification submitted on or**  
19 **after the effective date of this 2023 Act.”.**

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