

LC 237 Section-by-Section Outline and Amendments

Sections 1–6: Semiconductor Research Tax Credit Changes (ORS 315.518–315.522)

Section 1 – ORS 315.518 (Semiconductor R&D Credit)

- Expands definition of “**qualified company**” to include:
 - Alternative energy production companies
 - Biotechnology companies
 - Semiconductor companies
- **Broadens eligible research:**
 - From research “directly related to semiconductors”
 - To research supporting the **company’s primary business**
- Maintains:
 - 15% credit rate
 - \$4 million per-taxpayer cap
 - Refundability and 5-year carryforward

Policy effect: Expands credit eligibility to advanced technology sectors.

Amendments:

- Restructure to be a separate/new “innovation credit” that mirrors the structure of the current semiconductor credit but uses a new definition for advanced manufacturing. The biennial revenue cap should also mirror the semiconductor credit, essentially “doubling” the revenue impact in the R+D space.
- Need broader definition of “advanced manufacturing” to include biotech, clean tech, robotics, mass timber, etc. as follows:
 - “Advanced manufacturing” definition should mirror either the [National Institute of Standards and Technology](#) and/or the [National Strategic Plan for Advanced Manufacturing](#) (very slight difference between the two).
 - “Advanced manufacturing is a family of activities that (1) depend on the use and coordination of information, automation, computation, software, sensing, and networking, and/or (2) make use of cutting-edge materials and emerging capabilities enabled by the physical and biological sciences, such

as nanotechnology, chemistry, and biology. It involves both new ways to manufacture existing products and the manufacture of new products emerging from new advanced technologies.”

- Clarify that semiconductor firms are not eligible for new credit (existing semiconductor credit remains unchanged)

Section 2 – ORS 315.519 (Refundability Scaling by Employment Size)

- Retains employment-based refund reductions
- **Removes the 3,000-employee eligibility ceiling for refundable credit**
- Largest employers now receive:
 - 75% refund reduction (no upper limit)

Policy intent: Allows large firms to participate, but with reduced refunds. Extends refundability of credit to Oregon’s largest private employer, Intel. Oregon needs to demonstrate a partnership with Intel and support future investments in Oregon. This is an important component of Oregon’s competitiveness.

Note: this should apply to both the existing semi tax credit and new advanced manufacturing credit

Section 3 – ORS 315.522 (Certification Process)

- Updates application language to match expanded “qualified company” definition
- Preserves:
 - First-come, first-served certification
 - Partial certification if statewide caps are reached
- **Creates a protected reserve** for companies with fewer than 150 employees
- Maintains confidentiality of application materials

Policy intent: Ensures small companies will receive the full benefit of the R&D credit *within* the statewide cap.

Section 4 – Amendments to Section 8, Chapter 298, Oregon Laws 2023

- **Doubles statewide credit caps:**
 - 2025–27 biennium: **\$160M** (was \$80M)
 - 2027–29 biennium: **\$180M** (was \$90M)
 - FY 2029: **\$100M** (was \$50M)
- Applies to **all qualified companies**, not just semiconductor firms

Policy intent: Ensures the program is not watered down by expanding eligibility. Provides a cap equal to that for the semiconductor credit to support advanced manufacturers that are qualified under the bill, effectively “doubling” total revenue impact.

Section 5 – Sunset Extension

- Extends applicability of the R&D credit from **2030 to 2036**

Policy intent: Provides certainty to companies looking to stay and invest in Oregon, and to companies who may be looking to expand to Oregon in the future. Increases Oregon’s competitiveness by demonstrating a long-term commitment to advanced manufacturing.

Note: Sunset applies to semiconductor R+D and new advanced manufacturing credit

Section 6 – Applicability

- Sections 1–3 apply to **tax years beginning on or after January 1, 2027**
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Section 7: Local Option Capital Equipment Property Tax Exemption

- **Authorizes cities and counties** to adopt local property tax exemptions for:
 - New or modernized machinery and equipment
 - Used exclusively by advanced manufacturing businesses
- Exemption:
 - Up to 5 years
 - Fully discretionary at the local level
- Existing exemptions are grandfathered if repealed

Policy intent: Creates a locally controlled manufacturing incentive tool that is substantially similar to the E-Zone program but without geographic limitation. Aligns with manufacturing incentives in H.R. 1 and provides a similar benefit under state tax law. This will increase Oregon’s competitiveness and provide local economic developers with a tool to support individual projects within their territory and without the administrative requirements that come with the E-Zone program.

Amendments:

- Add definition of “advanced manufacturing” (same definition used in R&D credit sections)
- Amend section 7(3)(a): ...”not to exceed five **consecutive** years. **The duration of the exemption under subsection of this section may not be extended as the result of the value of changes to qualified machinery and equipment that are attributable to rehabilitation, reconditioning or ongoing maintenance or repair.”**

- Add the following:

“Newly acquired” means new or used Machinery and Equipment that:

(a) is first purchased or leased by a qualified business not more than two years prior to being placed into service,

(b) has not previously been subject to property taxation in Oregon,

Leased equipment may qualify only if the lessee is responsible for property tax payments under the lease.

“Placed into service” means the date the Machinery & Equipment is first used or readily available and operational for its intended commercial use.

“Qualified machinery and equipment” means capital equipment that is newly acquired and placed into service after January 1, 2026.

The exemption applies only while the equipment remains in active use for eligible activities.

Businesses must notify the assessor if equipment is removed from service or reaches the end of its five-year term.

- Extends standard enterprise zone property tax exemptions from **3–5 years to up to 10 years total**

Policy intent: Increases the value of the incentive to eligible companies and aligns Oregon’s flagship business incentive with incentive terms in other states.

Sections 10–12 – Enterprise Zone School Fee

- Converts school support fees from **mandatory to optional for the electing school district.**
- Creates concept of “**electing school districts**”
- Fees apply only if a district affirmatively opts in
- Maintains 15–30% fee rate range
- Clarifies administration, delinquency, and appeals

Policy intent: Modifies school fee provisions of E-Zone statute **to allow a school district to opt-in to receive a school fee** instead of being required to participate. Ensures only willing school districts participate in school fee program and that non-participation does not preclude zone sponsors from proceeding with E-Zone agreements with qualified firms.

Amendments: This language does not achieve the goal of clarifying the school fee process for jurisdictions while maintaining the fee for willing school districts.

Amend to require the designating jurisdiction provide notice prior to designating an enterprise zone to each qualifying school district of its intent to establish a zone and the district’s eligibility for the school fee established in HB 2009 (2023) / ORS 285C.067 (b). The school district has 30 days to respond to the jurisdiction and confirm if it will participate and accept the fee or not. If the school district does not respond within 30 days or declines to receive the fee, the designating jurisdiction may proceed to establish the enterprise zone without the school fee. If the school district responds within 30 days and confirms it will participate and receive the school fee, then the designating jurisdiction shall proceed with the school district participating as directed by HB 2009 (2023).

Section 13 – ORS 285C.403 (Rural Enterprise Zones)

- Allows **7–15 year exemptions** for rural facilities
- School support fee may be included, not required

Policy intent: Makes school fee changes optional at the school district’s discretion within the LTREZ program

Amendments: This language does not achieve the goal of clarifying the school fee process for jurisdictions while maintaining the fee for willing school districts.

Amend LTREZ Program as described above for the Standard EZ.

Section 14: Regionally Significant Industrial Site Incentives

- Clarifies eligibility thresholds:
 - Rural sites: **25-job cumulative increase**
 - ~~Urban sites: 50-job cumulative increase~~
- Requires:
 - Average wages \geq 150% of county or state average
- Updates definitions and consistency

Policy intent: This provision is included for the City of Pendleton. The City utilizes the RSIS program but individual companies have shed some jobs and as a result, Pendleton cannot be reimbursed by the state for up-front infrastructure investments in the industrial area in which these companies are located. This change ensures Pendleton can remain qualified for reimbursement.

Amendments: Clarify employment threshold for **rural** sites only, as noted below. Remove changes to current statute for **urban** sites.

As used in ORS 285B.625 to 285B.632, “eligible employer” means an employer that:

(1) Is conducting a traded sector business on a regionally significant industrial site and **meets the requirements under subsection (2) or (3) of this section.**

(2) With respect to **an employer’s establishment at a rural regionally significant industrial site, the employer must:**

(a) **Be conducting business at a site where, together with all other eligible employers conducting business at the same site, the cumulative average annual employment ~~has increased by~~ is at least 25 jobs; and**

(b) **Have an average annual wage of at least 150 percent of the county or state average wage, whichever is less.**

~~(3) With respect to an employer's establishment at an urban regionally significant industrial site, the employer must:~~

~~(a) Be conducting business at a site where, together with all other eligible employers conducting business at the same site, the cumulative average annual employment has increased by is at least 50 jobs; and~~

~~(b) Have an average annual wage of at least 150 percent of the county or state average wage, whichever is less.~~

Sections 15–18: Permit Transparency & Processing Deadlines (New, ORS ch. 183)

Section 16 – Permit Processing Deadlines

- Requires six major agencies to:
 - Establish and publish permit processing deadlines
 - Refund application fees if deadlines are missed (when feasible)
- Explicitly **creates no new appeal rights**

Section 17 – Permit Catalog Requirement

- Within ~~60~~ **120 days**, agencies must publish a detailed permit catalog including:
 - Legal authority
 - Fees
 - Processing times (historical and projected)
 - Backlogs
 - Streamlining analysis
- **Repealed January 2, 2027** (temporary reporting mandate)

Policy intent: Addresses incredibly slow permit processing timelines for permits required for industrial development. Seeks to make Oregon more business friendly by holding the state accountable for delivering permits within a self-imposed timeline. Creates some additional certainty for Oregon businesses looking to expand or to out-of-state businesses looking to locate in Oregon.

Amendments:

- Section 17(1)(a): Add Department of State Lands (DSL)
 - Section 17(2): Extend deadline for agencies to publish detailed permit catalog from 60 to 120 days.
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Sections 19–21: Washington County / Metro Land Use Changes

Section 19 – ORS 197A.250 (rezoning)

- Reclassifies specific Washington County lands:
 - From rural reserve → to inside UGB
 - Same lands as authorized for executive authority under SB 4 (2023).
- **Designates lands for high-technology and advanced manufacturing**
- Prohibits:
 - Data centers (unless accessory to advanced manufacturing facility)
 - Retail warehousing
 - Commercial recreation

Policy intent: Makes critical industrial land of statewide significance eligible for industrial urban development to support high technology and advanced manufacturing investments immediately. Oregon lacks any sites over 500 acres. The statewide Semiconductor Task Force recommended that this land come in to address a regional and statewide deficiency of industrial land – especially industrial land strategically located within Oregon’s high technology ecosystem.

Amendments:

6(a)(C): Clarify that commercial uses that support high tech and advanced manufacturing are allowed **but not required to be in the same building**. The intent here is to allow childcare, and other small commercial that support the area. Some of these would not make sense to be attached to a manufacturing building but would be appropriate within a campus or adjacent to a campus.

- **Amend (6)(a)(C): Commercial uses that are accessory to and located within the same building as the high-technology and advanced manufacturing or that support**

~~the manufacturing~~ **support high-technology manufacturing and advanced manufacturing.”**

Amend (6)(b)(C): Replace “retail warehousing facilities” with “retail warehousing facilities for consumer goods.”

Section 20 – Mandatory Local Plan Amendments

- Washington County & Hillsboro must amend plans **within 6 months**
- Amendments are **deemed acknowledged** upon adoption

Policy intent: Removes process of seeking state acknowledgement and considering legislative action the final step in legal process for lands to be urbanizable. This will make land available sooner meeting a clear and well-studied need.

Section 21 – Automatic Annexation to Metro

- Newly added UGB lands are annexed to Metro **by statute**, no process required

Policy intent: Does not require additional steps by Metro to annex land into Metro JX.

Section 22 – Effective Date

- Takes effect on the **91st day after adjournment sine die**
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DRAFT

SUMMARY

Digest: The Act would change the tax credit for semiconductor research. The Act would set up and change some tax breaks for advanced manufacturing, enterprise zones and regionally significant industrial sites.

The Act would direct certain state agencies to set up deadlines to process applications for permits and to make the deadlines public. The Act would make those agencies, no later than 60 days after the date on which the Act becomes law, publish a list of the permits that they issue.

The Act would change tax and other laws and rezone lands to aid economic growth. (Flesch Readability Score: 60.4).

Modifies the tax credit allowed for semiconductor research.

Creates and amends certain programs offering tax breaks related to advanced manufacturing, enterprise zones and regionally significant industrial sites.

Directs certain state agencies to establish deadlines within which the agency intends to process applications for permits and make the deadlines available to the public. Directs certain state agencies to publish a catalog of permits issued by the agency within 60 days after the effective date of the Act.

Adds rural reserves in Washington County to Metro to be used for high-technology and advanced manufacturing purposes.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to economic development; creating new provisions; amending ORS 197A.250, 285B.626, 285C.067, 285C.160, 285C.162, 285C.175, 285C.403, 285C.405, 315.518, 315.519 and 315.522 and sections 8 and 12, chapter 298, Oregon Laws 2023; and prescribing an effective date.

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

SECTION 1. ORS 315.518 is amended to read:

315.518. (1) As used in this section[,]:

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

(a) “Qualified alternative energy production company” means an entity whose primary business is to research, develop and manufacture devices that enable energy to be produced from renewable sources.

(b) “Qualified biotechnology company” means an entity whose primary business is the use of cellular or biological processes to research, develop and manufacture new medicines or technologies to cure life-threatening diseases and illnesses.

(c) “Qualified company” means a qualified alternative energy production company, a qualified biotechnology company or a qualified semiconductor company.

(d) “Qualified semiconductor company” means an entity whose primary business is the research, design, development, fabrication, assembly, testing, packaging or validation of semiconductors, or an entity whose primary business is the creation of semiconductor manufacturing equipment, semiconductor core intellectual property or electronic design automation software that is primarily intended for use in the semiconductor industry.

(2) A credit against taxes otherwise due under ORS chapter 316 or, if the taxpayer is a corporation, under ORS chapter 317 shall be allowed to eligible taxpayers for increases in qualified research expenses and basic research payments. The credit shall be determined in accordance with section 41 of the Internal Revenue Code, except as follows:

(a) The applicable percentage specified in section 41(a) of the Internal Revenue Code shall be 15 percent.

(b) “Qualified research” and “basic research” shall consist only of research conducted in Oregon by a qualified *[semiconductor]* company, in support of *[a trade or business directly related to semiconductors]* **the qualified company’s primary business.**

(3) The Income Tax Regulations as prescribed by the Secretary of the Treasury under authority of section 41 of the Internal Revenue Code apply for purposes of this section, except as modified by this section or as provided in rules adopted by the Department of Revenue.

1 (4) The maximum credit under this section may not exceed \$4 million for
2 any taxpayer.

3 (5) Prior to claiming a credit under this section, a taxpayer must obtain
4 from the Oregon Business Development Department[:]

5 *[(a) If applicable, approval from the Oregon Business Development Depart-*
6 *ment as provided in section 5, chapter 298, Oregon Laws 2023.]*

7 *[(b)]* certification as provided in ORS 315.522.

8 (6) The Oregon Business Development Department shall provide informa-
9 tion to the Department of Revenue about all certifications issued under ORS
10 315.522, if required by ORS 315.058.

11 (7) The Director of the Oregon Business Development Department may
12 order the suspension or revocation of a credit allowed under this section, as
13 provided in ORS 315.061.

14 (8) A deduction may not be taken for the portion of expenses or payments,
15 otherwise allowable as a deduction, that is equal to the amount of the credit
16 claimed under this section.

17 (9) Notwithstanding ORS 317.090 (3), the refundable portion of a credit
18 under this section is allowed against the tax imposed under ORS 317.090 and
19 may reduce the tax imposed under ORS 317.090 to zero. Any remaining
20 amount of credit above the minimum shall be refunded as provided in ORS
21 315.519.

22 (10) Any tax credit that is otherwise allowable under this section and that
23 is not used by the taxpayer in that year may be carried forward and offset
24 against the taxpayer's tax liability for the next succeeding tax year. Any
25 credit remaining unused in such next succeeding tax year may be carried
26 forward and used in the second succeeding tax year, and likewise any credit
27 not used in that second succeeding tax year may be carried forward and used
28 in the third succeeding tax year, and any credit not used in that third suc-
29 ceeding tax year may be carried forward and used in the fourth succeeding
30 tax year, and any credit not used in that fourth succeeding tax year may be
31 carried forward and used in the fifth succeeding tax year, but may not be

carried forward for any tax year thereafter.

SECTION 2. ORS 315.519 is amended to read:

315.519. (1)(a) If the amount allowable as a credit under ORS 315.518, after any reduction applicable under subsection (2) of this section, when added to the sum of the amount of estimated tax paid under ORS 314.515 and any other tax prepayment amounts, exceeds the taxes imposed by ORS chapters 314 and 317 for the tax year after application of any nonrefundable credits allowable for purposes of ORS chapter 317 for the tax year, the amount of the excess determined under this subsection shall be refunded to the taxpayer as provided in ORS 314.415.

(b) If the amount allowable as a credit under ORS 315.518, after any reduction applicable under subsection (2) of this section, when added to the sum of the amounts allowable as payment of tax under ORS 316.187 or 316.583, other tax prepayment amounts and other refundable credit amounts, exceeds the taxes imposed by ORS chapters 314 and 316 for the tax year after application of any nonrefundable credits allowable for purposes of ORS chapter 316 for the tax year, the amount of the excess shall be refunded to the taxpayer as provided in ORS 316.502.

(2) If the taxpayer employs, in Oregon:

(a) Fewer than 150 employees at the close of the tax year, the amount of credit used in the calculation in subsection (1) of this section shall be reduced by 25 percent.

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

(c) At least 500 employees [*but fewer than 3,000 employees*] at the close of the tax year, the amount of credit used in the calculation in subsection (1) of this section shall be reduced by 75 percent.

(3) Any amount not available for refund due to subsection (2) of this section may be carried forward as provided in ORS 315.518 (10).

[(4) This section applies only to taxpayers with fewer than 3,000 employees

who are employed in Oregon at the close of the tax year.]

SECTION 3. ORS 315.522 is amended to read:

315.522. (1) A taxpayer seeking to claim the credit provided under ORS 315.518 shall file for each tax year a written application for certification with the Oregon Business Development Department. The application must include:

(a) A description of how the taxpayer meets the definition of a qualified [semiconductor] company under ORS 315.518;

(b) A description of how proposed research and development activities for which the taxpayer seeks a tax credit under ORS 315.518 will support the taxpayer in conducting [*a business or trade directly related to semiconductors*] **the qualified company's primary business**; and

(c) Any other information that is required by the department by rule.

(2) An application for certification under this section must be accompanied by a payment of any fee established by the department by rule under subsection (4) of this section.

(3)(a) Except as provided in paragraph (b) of this subsection, the department shall certify applicants and award credit amounts in the order applications are received by the department. Applications received on the same day shall be deemed to have been received simultaneously. If a pending request cannot be fully certified because of the limitation in section 8, chapter 298, Oregon Laws 2023, the department shall certify the portion that may be certified unless the qualified company elects to withdraw its request rather than receive partial credit.

(b) The department by rule shall establish a reserve amount sufficient to ensure that any qualified company with fewer than 150 employees that files an application under this section prior to the date prescribed for filing the qualified company's tax return shall receive certification for the full amount of the credit to which the qualified company is eligible.

[(3)] (c) After considering timely filed and complete applications, along with amounts available under section 8, chapter 298, Oregon Laws 2023, the department shall, if the department deems appropriate, issue a certification to an applicant taxpayer if the department determines that the taxpayer is a qualified *[semiconductor]* company as that term is defined under ORS 315.518, and if the taxpayer attests that the proposed research and development activities for which the taxpayer seeks the credit under ORS 315.518 will support the taxpayer in conducting *[a trade or business directly related to semiconductors]* **the taxpayer's primary business.**

(4) The department shall establish by rule a fee for filing a written application for certification under this section. The fee shall be adequate to recover the costs incurred by the department in reviewing the applications under this section.

(5) Information submitted to the department under this section or section 5, chapter 298, Oregon Laws 2023, is exempt from public disclosure under ORS 192.311 to 192.478 and must be treated as confidential.

SECTION 4. Section 8, chapter 298, Oregon Laws 2023, is amended to read:

Sec. 8. (1) The total amount of potential tax credits for all qualified semiconductor companies in this state may not, at the time of certification under *[section 4 of this 2023 Act]* **ORS 315.522**, exceed[:]

[(1)] \$35 million for the biennium beginning July 1, 2023[:].

(2) The total amount of potential tax credits for all qualified companies in this state may not, at the time of certification under ORS 315.522, exceed:

[(2)] (a) ~~[\$80]~~ **\$160** million for the biennium beginning July 1, 2025;

[(3)] (b) ~~[\$90]~~ **\$180** million for the biennium beginning July 1, 2027; and

[(4)] (c) ~~[\$50]~~ **\$100** million for the fiscal year beginning July 1, 2029.

SECTION 5. Section 12, chapter 298, Oregon Laws 2023, is amended to read:

Sec. 12. *[Sections 2 to 5 of this 2023 Act]* **ORS 315.518 to 315.522 and**

section 5, chapter 298, Oregon Laws 2023, apply to tax years beginning on or after January 1, 2024, and before January 1, [2030] 2036.

SECTION 6. The amendments to ORS 315.518, 315.519 and 315.522 by sections 1 to 3 of this 2026 Act apply to tax years beginning on or after January 1, 2027.

SECTION 7. (1) The governing body of a city or county may establish by ordinance or resolution a property tax exemption for new or modernized machinery and equipment used exclusively within the boundaries of the city or the unincorporated areas of the county, respectively, by an advanced manufacturing business.

(2) An ordinance or resolution adopted under this section shall specify the requirements for the machinery and equipment to be eligible for, and an advanced manufacturing business to claim, the exemption.

(3)(a) An ordinance or resolution adopted under this section shall specify the period, not to exceed five years, for which the exemption may be granted.

(b) The city or county may adopt any other provisions relating to the property tax exemption that do not conflict with the requirements of this section.

(4)(a) The city or county may amend or repeal an ordinance or resolution adopted under this section at any time.

(b) Notwithstanding paragraph (a) of this subsection, machinery and equipment that is receiving an exemption under this section when the amendments to or the repeal of the ordinance or resolution become effective shall continue to receive the exemption pursuant to the provisions of the ordinance or resolution in effect when the machinery and equipment was initially granted the exemption.

SECTION 8. ORS 285C.175 is amended to read:

285C.175. (1) Property of an authorized business firm is exempt from ad valorem property taxation 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.

(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 January 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]* ~~seven~~ additional tax years consecutively following the tax years described in subparagraph (A) of this paragraph, 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

1 shall be measured by the increase in the value of the item that is attribut-
2 able to the reconditioning, refurbishment, retrofitting or upgrade.

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

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

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

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

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

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

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

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

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

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

29 (6) The county assessor shall notify the business firm in writing whenever
30 property is denied an exemption under this section. The denial of exemption
31 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 9. ORS 285C.160 is amended to read:

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

(2) The period for which the qualified property is to continue to be exempt must be set forth in the agreement and may not exceed [*two*] **seven** additional tax years for which a school support fee must be paid in accordance with ORS 285C.162.

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

(a) If the enterprise zone is a rural enterprise zone or an urban enterprise zone located inside a metropolitan statistical area of fewer than 400,000 residents, the agreement must require that the firm:

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

(ii) If the enterprise zone is located in a qualified rural county, annually compensate all new employees hired by the firm at an average rate of at least

130 percent of the county average annual wage for each assessment year during the tax exemption period, as determined at the time of authorization; and

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

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

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

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

SECTION 10. ORS 285C.162 is amended to read:

285C.162. (1) As used in this section:[,]

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

(b) “Electing school district” means an affected school district whose governing body elects to receive a school support fee under this section.

(2)(a) An agreement entered into under ORS 285C.160 by the governing body of a zone sponsor and a business firm [*shall*] **may** provide for a school support fee to be paid in lieu of the property taxes that would otherwise be imposed on the business firm’s qualified property.

(b) The governing body of an affected school district shall notify the zone sponsor whether or not the school district elects to receive a school support fee.

[(b)] **(3)(a)** The amount of *[the]* a school support fee *[of each affected]* **for an electing** school district shall equal the respective rate set under ORS 285C.067 (1)(b) multiplied by the property taxes that would, but for the exemption, be due on the qualified property for each property tax year to which the agreement relates.

[(c)] **(b)** The agreement may also include:

(A) A rate of interest and a penalty to be imposed on delinquent fee payments;

(B) A means and schedule for curing a delinquent fee payment; and

(C) Any other provisions the zone sponsor and business firm agree upon that do not conflict with this section.

[(3)(a)] **(4)(a)** On or before November 1 following the beginning of each of the *[two]* additional tax years agreed upon under ORS 285C.160 **(2)**, the governing body of the zone sponsor shall provide to the governing body of each *[affected]* **electing** school district all information necessary for the *[affected]* **electing** school district to collect the fee directly from the business firm.

(b) On or before each following December 1, the governing body of each *[affected]* **electing** school district shall send to the business firm a notice of the required fee payment. The fee shall be due not later than December 31 of the same year.

[(4)] **(5)** Each *[affected]* **electing** school district shall be responsible for making refunds to business firms of overpayments of the district's school support fee and any interest or penalty imposed on the fee.

[(5)(a)] **(6)(a)** If a fee payment is delinquent for more than 60 days following the date of delinquency or any later date allowed for curing the delinquency, the governing body of each *[affected]* **electing** school district shall give written notice of the delinquency to the business firm and the assessor

of the county in which the *[affected]* **electing** school district is situated.

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

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

(B) Impose the amount of the outstanding fee along with any amounts of interest or penalty imposed on the fee.

[(6)] **(7)** The amount determined to be due under subsection *[(5)]* **(6)** of this section:

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

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

[(7)] **(8)** Amounts collected under this section shall be deemed to have been imposed for the property tax year to which the fee payment relates.

[(8)] **(9)** The fee shall be considered moneys received in lieu of property taxes for purposes of ORS 327.011 (1)(f).

[(9)] **(10)** The amount of a fee and any interest or penalty imposed on the fee, and the disqualification of qualified property under this section, may be appealed to the Oregon Tax Court under ORS 305.404 to 305.560.

SECTION 11. ORS 285C.405 is amended to read:

285C.405. (1) As used in this section:[,]

(a) “Affected school district” means a school district as defined in ORS 332.002 (2) in which the facility of a business firm granted exemption under ORS 285C.409 is located.

(b) **“Electing school district” means an affected school district whose governing body elects to receive a school support fee under this section.**

(2)(a) An agreement entered into under ORS 285C.403 by the governing body of a zone sponsor and a business firm *[shall]* **may** provide for a school

support fee to be paid in lieu of the property taxes that would otherwise be imposed on the business firm's facility for each year of exemption after the fifth year.

(b) The governing body of an affected school district shall notify the zone sponsor whether or not the school district elects to receive a school support fee.

~~[(b)]~~ **(3)(a)** The amount of ~~[the]~~ **a** school support fee ~~[of each affected]~~ **for an electing** school district shall equal the respective rate set under ORS 285C.067 (1)(b) multiplied by the property taxes that would, but for the exemption, be due on the facility for each property tax year after the fifth year of exemption.

~~[(c)]~~ **(b)** The agreement may also include:

(A) A rate of interest and a penalty to be imposed on delinquent fee payments;

(B) A means and schedule for curing a delinquent fee payment; and

(C) Any other provisions the zone sponsor and business firm agree upon that do not conflict with this section.

~~[(3)(a)]~~ **(4)(a)** On or before November 1 following the beginning of the sixth and each subsequent property tax year for which an exemption under ORS 285C.409 is granted, the governing body of the zone sponsor shall provide to the governing body of each ~~[affected]~~ **electing** school district all information necessary for the ~~[affected]~~ **electing** school district to collect the fee directly from the business firm.

(b) On or before each following December 1, the governing body of each ~~[affected]~~ **electing** school district shall send to the business firm a notice of the required fee payment. The fee shall be due not later than December 31 of the same year.

~~[(4)]~~ **(5)** Each ~~[affected]~~ **electing** school district shall be responsible for making refunds to business firms of overpayments of the district's school support fee and any interest or penalty imposed on the fee.

~~[(5)(a)]~~ **(6)(a)** If a fee payment is delinquent for more than 60 days fol-

lowing the date of delinquency or any later date allowed for curing the delinquency, the governing body of each *[affected]* **electing** school district shall give written notice of the delinquency to the business firm and the assessor of the county in which the *[affected]* **electing** school district is situated.

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

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

(B) Impose the amount of the outstanding fee along with any amounts of interest or penalty imposed on the fee.

[(6)] **(7)** The amount determined to be due under subsection *[(5)]* **(6)** of this section:

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

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

[(7)] **(8)** Amounts collected under this section shall be deemed to have been imposed for the property tax year to which the fee payment relates.

[(8)] **(9)** The fee shall be considered moneys received in lieu of property taxes for purposes of ORS 327.011 (1)(f).

[(9)] **(10)** The amount of a fee and any interest or penalty imposed on the fee, and the disqualification of a facility under this section, may be appealed to the Oregon Tax Court under ORS 305.404 to 305.560.

SECTION 12. ORS 285C.067 is amended to read:

285C.067. (1) Prior to designating an enterprise zone under ORS 285C.065 or 285C.250:

(a) The governing body of the city, county or port seeking to designate the enterprise zone shall consult with all local taxing districts with territory in the zone.

(b) The governing bodies of the zone sponsor and each **electing** school

district as defined in ORS [332.002 (2)] **285C.162** with territory in the enterprise zone shall set a rate for the school support fee imposed pursuant to ORS 285C.162 [(2)] **(3)** and 285C.405 [(2)] **(3)** that is at least 15 percent and not more than 30 percent. The rate shall apply to all qualified property and facilities granted exemption under ORS 285C.175 or 285C.409, respectively, located in the enterprise zone.

(2) The Oregon Business Development Department may adopt rules on the consultations required under subsection (1) of this section and procedures related to the consultations.

SECTION 13. ORS 285C.403 is amended to read:

285C.403. (1)(a) A 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.

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

(2) An application for certification shall be made on a form prescribed by the Department of Revenue and 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 agreement 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 application 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 enterprise zone that conforms to subsection (4) of this section.

(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)(A) The written agreement required under subsection (3)(c) of this section 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.

(B) 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.

(C) 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.

(b) The agreement must *require a* **include any** school support fee to be paid in accordance with ORS 285C.405.

(c) The agreement may include any additional requirements that the

1 sponsor may reasonably request, including but not limited to contributions
2 for local services or infrastructure benefiting the facility.

3 (5) The approval of an application by both the sponsor and the county
4 assessor under subsection (3) of this section shall be prima facie evidence
5 that the business firm will qualify for the property tax exemption under ORS
6 285C.409.

7 (6) The sponsor and the county assessor shall provide copies of an ap-
8 proved application to the applicant, the Department of Revenue and the
9 Oregon Business Development Department.

10 (7) If the sponsor or the county assessor fails or refuses to certify the
11 business firm, the business firm may appeal to the Oregon Tax Court under
12 ORS 305.404 to 305.560. The business firm shall provide copies of the firm's
13 appeal to the sponsor, the county assessor, the Oregon Business Development
14 Department and the Department of Revenue.

15 **SECTION 14.** ORS 285B.626 is amended to read:

16 285B.626. As used in ORS 285B.625 to 285B.632:

17 (1)(a) "Eligible employer" means an employer that[:]

18 [(a)] is conducting a traded sector business on a regionally significant
19 industrial site[:] and **that meets the requirements under paragraph (b)**
20 **or (c) of this subsection.**

21 (b)[(A)] With respect to [*the*] **an** employer's establishment at a rural **re-**
22 **gionally significant industrial** site, [*has increased*] **the employer must:**

23 (A) **Be conducting business at a site where, together with all other**
24 **eligible employers conducting business at the same site, the cumula-**
25 **tive** average annual employment **has increased** by at least 25 jobs; and

26 (B) [*has*] **Have** an average annual wage of at least 150 percent of the
27 county or state average wage, whichever is less.[: or]

28 [(B)] (c) With respect to [*the*] **an** employer's establishment at an urban
29 **regionally significant industrial** site, [*has increased*] **the employer must:**

30 (A) **Be conducting business at a site where, together with all other**
31 **eligible employers conducting business at the same site, the cumula-**

tive average annual employment **has increased** by at least 50 jobs; and

(B) *[has]* **Have** an average annual wage of at least 150 percent of the county or state average wage, whichever is less.

(2) “Estimated incremental income tax revenues” means the Oregon personal income tax revenues that are equivalent to the amount of tax that employees of an eligible employer who are hired by the eligible employer on a designated regionally significant industrial site have paid under ORS chapter 316 in the tax years following the first tax year in which the eligible employer begins conducting a traded sector business on the designated regionally significant industrial site.

(3) “Industrial use” means employment activities, including but not limited to manufacturing, assembly, fabrication, processing, storage, logistics, warehousing, importation, distribution, transshipment and research and development, that generate income from the production, handling or distribution of goods or services, including goods or services in the traded sector.

(4) “Project sponsor” means:

(a) A public owner of a regionally significant industrial site that is investing in preparation of the site for industrial use by a third party; or

(b) A public entity that has entered into a development or other agreement with the private owner of a regionally significant industrial site to prepare the site for industrial use.

(5) “Regionally significant industrial site” means a site planned and zoned for industrial use that:

(a)(A) Is suitable for the location of new industrial uses or the expansion of existing industrial uses and that can provide significant additional employment in the region;

(B) Has site characteristics that provide significant competitive advantages that are difficult or impossible to replicate in the region; and

(C) Has superior access to transportation and freight infrastructure, including but not limited to rail, port, airport, multimodal freight or transshipment facilities and other major transportation facilities or routes; or

(b) Is located in an area designated by Metro, as defined in ORS 197.015, as a regionally significant industrial area.

(6) “Rural site” means a regionally significant industrial site located in an area outside of a metropolitan statistical area, as defined by the most recent federal decennial census.

(7) “Traded sector” has the meaning given that term in ORS 285A.010.

(8) “Urban site” means a regionally significant industrial site located in a metropolitan statistical area, as defined by the most recent federal decennial census, that is located inside a regional or metropolitan urban growth boundary.

(9) “Wage” has the meaning given that term pursuant to rules adopted by the Oregon Business Development Department.

SECTION 15. Sections 16 and 17 of this 2026 Act are added to and made a part of ORS chapter 183.

SECTION 16. (1) As used in this section:

(a) “Agency” means:

(A) The Department of Environmental Quality.

(B) The State Department of Agriculture.

(C) The Department of Consumer and Business Services.

(D) The Department of Transportation.

(E) The Water Resources Department.

(F) The State Department of Energy.

(b) “Permit” has the meaning given that term in ORS 183.700.

(2) An agency shall establish efficient deadlines within which the agency intends to process applications for each permit issued by the agency. The agency shall make the deadlines available to the public.

(3) To the greatest extent possible, an agency that fails to process an application for a permit before the deadline established under this section shall refund the application fee for the permit and finish processing the application.

(4) This section does not confer any right to challenge a rule, order,

outcome of a permit application or other action or inaction of an agency.

SECTION 17. (1) As used in this section:

(a) “Agency” means:

(A) The Department of Environmental Quality.

(B) The State Department of Agriculture.

(C) The Department of Consumer and Business Services.

(D) The Department of Transportation.

(E) The Water Resources Department.

(F) The State Department of Energy.

(b) “Complete application” means an application for which the applicant has properly and timely submitted all information required by an agency to act upon the application.

(c) “Permit” has the meaning given that term in ORS 183.700.

(2) No later than 60 days following the effective date of this 2026 Act, an agency shall publish a catalog of permits issued by the agency. For each permit issued by the agency, the catalog must include:

(a) A description of the permit.

(b) The duration of the permit.

(c) The statutory authority, regulatory authority or other authority for issuing the permit.

(d) The method by which the agency receives applications for the permit and, if readily available, the date the method was last significantly updated.

(e) Any statutory, regulatory or other authority governing the time within which the agency must process applications for the permit.

(f) The application fee for the permit, the statutory, regulatory or other authority for the application fee and when the amount of the application fee was last changed.

(g) An analysis of the time within which, with existing resources, the agency could consistently process complete applications for the

1 **permit.**

2 **(h) A description of the steps in the current approval process, as**
3 **well as any post-approval steps that must be completed before a person**
4 **can use the permit.**

5 **(i) For the year 2025:**

6 **(A) The number of applications received for the permit.**

7 **(B) The average processing time for all applications for the permit,**
8 **including applications that were initially incomplete.**

9 **(C) The average processing time for complete applications for the**
10 **permit.**

11 **(D) The average time between approval of the permit and any nec-**
12 **essary post-approval step.**

13 **(j) An analysis identifying opportunities to streamline the approval**
14 **process for the permit, eliminate any unnecessary steps or barriers,**
15 **reduce the incidence of incomplete applications and eliminate any ob-**
16 **solete or unnecessary approval processes.**

17 **(k) The approximate number of applications for the permit cur-**
18 **rently pending at the agency and a statement of whether a backlog**
19 **exists.**

20 **SECTION 18. Section 17 of this 2026 Act is repealed on January 2,**
21 **2027.**

22 **SECTION 19. ORS 197A.250 is amended to read:**

23 **197A.250. (1) For purposes of land use planning in Oregon, the Legislative**
24 **Assembly designates the land in Washington County that was designated as**
25 **rural reserve in Metro Resolution No. 11-4245, adopted on March 15, 2011,**
26 **as the acknowledged rural reserve in Washington County, except that:**

27 **(a) The Legislative Assembly does not designate as rural reserves the real**
28 **property in Area 5C on Metro's map denominated as the "Urban and Rural**
29 **Reserves in Washington County, Attachment A to Staff Report for Resol-**
30 **ution No. 11-4245 (03/17/11 DRAFT)," that is more particularly described as:**

31 **(A) Tax lots 1500 and 1501, section 1 of township 2 south, range 2 west,**

Willamette Meridian; and

(B) A tract of land being in the north one-half of section 18, township 2 south, range 1 west, Willamette Meridian, Washington County Oregon, and being more particularly described as follows: Beginning at the northeast corner of that tract of land conveyed to John Lasich, et ux, by deed recorded October 22, 1931, in Book 148, page 116, of the Washington County Deed Records; thence westerly along the north line said tract 1444.2 feet, more or less, to the southwest corner of that property described in Deed Document No. 81038291 of the Washington County Book of Records; thence southerly and perpendicular to said north line, 50.00 feet; thence easterly on a line being parallel with and 50.00 feet southerly of said north line 1444.2 feet, more or less, to the east line of said Lasich tract; thence northerly 50.00 feet to the point of beginning.

(b) The Legislative Assembly designates as acknowledged urban reserve the real property that is part of the original plat of Bendemeer, Washington County, Oregon, more particularly described as:

(A) All of lots 1 through 18, inclusive;

(B) The parts of lots 64, 65 and 66 that are situated between the east boundary of the right of way of Northwest West Union Road and the east boundary of the right of way of Northwest Cornelius Pass Road;

(C) The real property that is more particularly described as: Beginning at a point of origin that is the south bank of Holcomb Creek and the west boundary of the right of way of Northwest Cornelius Pass Road; thence easterly along the south bank of Holcomb Creek, continuing along the south bank of Holcomb Lake to its intersection with the west boundary of Area 8C; thence southerly along the west boundary of Area 8C to its intersection with the north boundary of the right of way of Northwest West Union Road; thence westerly along the right of way to its intersection with the west boundary of the right of way of Northwest Cornelius Pass Road; thence northerly along the right of way to the point of origin;

(D) The real property that is more particularly described as tax lot 4050

in section 14A of township 1 north, range 2 west, Willamette Meridian;

(E) The portion of Northwest West Union Road and its right of way from the intersection of the road with the west boundary of Area 8C to the intersection of the road with the west boundary of the right of way of Northwest Bendemeer Road on Metro’s map denominated as the “Urban and Rural Reserves in Washington County, Attachment A to Staff Report for Resolution No. 11-4245 (03/17/11 DRAFT)”; and

(F) The real property that is more particularly described as tax lot 400 in section 14D of township 1 north, range 2 west, Willamette Meridian.

(2) For purposes of land use planning in Oregon, the Legislative Assembly designates the land in Washington County that was designated as urban reserve in Metro Resolution No. 11-4245, adopted on March 15, 2011, as the acknowledged urban reserve in Washington County, except that:

(a) The real property in Area 8A on Metro’s map denominated as the “Urban and Rural Reserves in Washington County, Attachment A to Staff Report for Resolution No. 11-4245 (03/17/11 DRAFT),” *[east of the east boundary of the right of way of Northwest Jackson School Road and east of the east bank of Storey Creek and the east bank of Waibel Creek]* is included within the acknowledged **Metro** urban growth boundary.

[(b) The real property in Area 8A on Metro’s map denominated as the “Urban and Rural Reserves in Washington County, Attachment A to Staff Report for Resolution No. 11-4245 (03/17/11 DRAFT),” that is south of the south boundary of the right of way of Highway 26 and west of the real property described in paragraph (a) of this subsection is designated as acknowledged rural reserve.]

[(c)] (b) The real property in Area 8B on Metro’s map denominated as the “Urban and Rural Reserves in Washington County, Attachment A to Staff Report for Resolution No. 11-4245 (03/17/11 DRAFT),” that is more particularly described as tax lot 100 in section 21AA of township 1 north, range 2 west, Willamette Meridian, and tax lots 900, 901, 1100, 1200, 1300 and 1400 in section 15 of township 1 north, range 2 west, Willamette Meridian, is not

designated as a reserve area.

[(d)] (c) The real property in Area 8B on Metro’s map denominated as the “Urban and Rural Reserves in Washington County, Attachment A to Staff Report for Resolution No. 11-4245 (03/17/11 DRAFT),” that is not described in paragraph [(c)] (b) of this subsection is designated as acknowledged rural reserve.

[(e)] (d) The real property in Area 7B on Metro’s map denominated as the “Urban and Rural Reserves in Washington County, Attachment A to Staff Report for Resolution No. 11-4245 (03/17/11 DRAFT),” that is north of the south bank of Council Creek is designated as acknowledged rural reserve.

[(f)] (e) The real property in Area 7B on Metro’s map denominated as the “Urban and Rural Reserves in Washington County, Attachment A to Staff Report for Resolution No. 11-4245 (03/17/11 DRAFT),” that is south of the south bank of Council Creek is included within the acknowledged **Metro** urban growth boundary.

(3) For purposes of land use planning in Oregon, in relation to the following real property in Washington County that is not reserved by designation in Metro Resolution No. 11-4245, adopted on March 15, 2011, the Legislative Assembly designates:

(a) As acknowledged rural reserve the real property that is situated south of the City of North Plains on Metro’s map denominated as the “Urban and Rural Reserves in Washington County, Attachment A to Staff Report for Resolution No. 11-4245 (03/17/11 DRAFT),” more particularly described as tax lots 100, 101, 200 and 201 in section 11 of township 1 north, range 3 west, Willamette Meridian, tax lots 1800 and 2000 and that portion of tax lot 3900 that is north of the south line of the Dobbins Donation Land Claim No. 47 in section 12 of township 1 north, range 3 west, Willamette Meridian, and the portion of Northwest Gordon Road and its right of way from the south boundary of the right of way of Northwest Beach Road to the south boundary of tax lot 200 in section 11 of township 1 north, range 3 west, Willamette Meridian.

(b) As acknowledged rural reserve the real property that is situated north of the City of Cornelius on Metro's map denominated as the "Urban and Rural Reserves in Washington County, Attachment A to Staff Report for Resolution No. 11-4245 (03/17/11 DRAFT)," and that is north of the south bank of Council Creek, east of the east right of way of Northwest Cornelius-Schefflin Road and west of the west bank of Dairy Creek.

(c) As acknowledged rural reserve the real property that is north of the City of Forest Grove on Metro's map denominated as the "Urban and Rural Reserves in Washington County, Attachment A to Staff Report for Resolution No. 11-4245 (03/17/11 DRAFT)," more particularly described as east of Area 7B, west of the east right of way of Highway 47 and south of the north right of way of Northwest Purdin Road.

(d) As acknowledged rural reserve the real property that is situated west of Area 8B on Metro's map denominated as the "Urban and Rural Reserves in Washington County, Attachment A to Staff Report for Resolution No. 11-4245 (03/17/11 DRAFT)."

(4) Land in a county in Metro that is planned and zoned for farm, forest or mixed farm and forest use and that is not designated as urban reserve may not be included within the urban growth boundary of Metro before at least 75 percent of the land in the county that was designated urban reserve in this section has been included within the urban growth boundary and planned and zoned for urban uses.

(5) The real property described in subsection (2)(a) of this section **east of Northwest Jackson School Road, Storey Creek and Waibel Creek**, except for the land denominated as "UGB 2014" on the Metro Map titled "HB 4078 Reserves and Urban Growth Boundary Washington County Area - Attachment 1 (June 2014)" and that is south of Northwest Sunset Highway and north of Northwest Evergreen Road:

(a) Is employment land of state significance; and

(b) Must be planned and zoned for employment use.

(6) The real property described in subsection (2)(a) of this section,

1 **except for the land east of Northwest Jackson School Road, Storey**
2 **Creek and Waibel Creek:**

3 **(a) Must be planned and zoned for industrial use, including:**

4 **(A) High-technology and advanced manufacturing and production,**
5 **including research and development;**

6 **(B) Uses that support high-technology and advanced manufactur-**
7 **ing, research and development; and**

8 **(C) Commercial uses that are accessory to and located within the**
9 **same building as the high-technology and advanced manufacturing or**
10 **that support the manufacturing.**

11 **(b) May not zoned for or developed as:**

12 **(A) A data storage, processing or information center except as an**
13 **accessory to or part of a use described in paragraph (a) of this sub-**
14 **section;**

15 **(B) Commercial recreation facilities; or**

16 **(C) Retail warehousing facilities.**

17 **[(6)] (7) If the real property described in subsection [(2)(f)] (2)(e) of this**
18 **section or ORS 197A.358 (1) to (3) is planned and zoned for employment use,**
19 **in its first legislative review of the urban growth boundary on or after April**
20 **1, 2014, Metro shall not count the employment capacity of the real property**
21 **described in subsection [(2)(f)] (2)(e) of this section or in ORS 197A.358 (1)**
22 **to (3) in determining the employment capacity of the land within Metro.**

23 **SECTION 20. Notwithstanding ORS chapter 197 or 197A, ORS 215.431**
24 **or 227.188, any statewide land use planning goals or administrative**
25 **rules that implement the goals, not later than six months following**
26 **the effective date of this 2026 Act, Washington County and the City**
27 **of Hillsboro shall amend their respective comprehensive plans and land**
28 **use regulations to allow for the use of the land described in ORS**
29 **197A.250 (2)(a) for the uses described in 197A.250 (6). The amendments**
30 **are deemed acknowledged under ORS 197.251 upon adoption by the lo-**
31 **cal government, provided that:**

(1) Each amendment is adopted by an ordinance or resolution of the governing body of the local government after a public hearing; and

(2) A copy of the ordinance or resolution is delivered to the Land Conservation and Development Commission within 14 days after adoption.

SECTION 21. Notwithstanding any provision of ORS chapter 198 or 268, the lands added to the acknowledged Metro urban growth boundary by the amendments to ORS 197A.250 by section 19 of this 2026 Act are hereby annexed to the metropolitan service district without further proceedings.

SECTION 22. This 2026 Act takes effect on the 91st day after the date on which the 2026 regular session of the Eighty-third Legislative Assembly adjourns sine die.