

HB 2725 -2 STAFF MEASURE SUMMARY

House Committee On Revenue

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Meeting Dates: 4/15, 6/11

WHAT THE MEASURE DOES:

Prohibits an unaffected port from being a party to an intergovernmental agreement under the Strategic Investment Program (SIP) for annual distribution of community services support fee revenue to certain taxing districts. Defines “affected port”. Applies to a county request for a SIP property tax exemption made after the effective date of the Act.

ISSUES DISCUSSED:

- HB 2009 (2023)
- High-tech industry infrastructure development on greenfields
- Port district area and port owned land
- Third-party demand for district services

EFFECT OF AMENDMENT:

-2 Replaces definition of "affected port".

BACKGROUND:

A business firm which has a SIP property tax exemption must pay an annual community services support fee. The fee is 25 percent of the property tax which would, but for the exemption, be due on the exempt property. The maximum fee, which is adjusted for inflation each year, is \$3,084,000 in 2025-26. Fee revenue is generally allocated among all non-school taxing districts in the code area of the property, based on an intergovernmental agreement or otherwise by action of the Oregon Business Development Commission.