

**HB 4084 A -A7, -A8, -A9, -A10, -A11, -A12, -A14 STAFF
MEASURE SUMMARY**

House Committee On Revenue

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/16, 2/19

WHAT THE MEASURE DOES:

Establishes Joint Permitting Council in Governor Office. Requires council administer fast track permitting program. Requires qualifying projects make certain capital investments and advance job creation or growth in gross domestic product through targeted industry cluster. Caps concurrently approved projects at 15. Requires certain state agencies publish one-time catalog of certain permits issued by agency relating to economic development projects. Requires such state agencies report on opportunities to streamline permit processes and provide fee relief. Replaces standard enterprise zone designation requirements relating to area median income, unemployment rate, and economic hardship with requirement zone sponsor demonstrate need for economic development in area. Expands potentially eligible business firm operations to priority industries identified by zone sponsor resolution. Expands, upon written request of zone sponsor, potentially eligible business firm operations to firms engaged in sales for personal or household use, retail sales, or operating fulfillment center. Expands additional exemption period available after year three, from two additional years to a longer period. Allows zone sponsor and eligible business firm agreement for flexible hiring timelines if employment or alternative criteria are met during exemption period. Appropriates \$40 million of general fund for OBDD to deposit in Industrial Site Loan Fund for 2025-27 biennium. Takes effect 91 days after sine die.

ISSUES DISCUSSED:

- Job and wage requirements
- Data centers and cryptocurrency mining
- Additional exemption years
- Assessment and taxation costs
- District revenue

EFFECT OF AMENDMENT:

-A7 Prohibits Metro and certain higher population local governments from imposing new tax or increasing existing tax of any kind, except ad valorem property taxes, for three years beginning on act's effective date.

-A8 Makes changes to federal taxable income.

-A9 Makes changes to public contracting.

-A10 Requires Department of Environmental Quality to suspend implementation and enforcement of climate protection program for three years beginning on act's effective date.

-A11 Prohibits business firms significantly engaged in data center operations or cryptocurrency data mining from qualifying for standard enterprise zone exemption and long-term rural enterprise zone exemption. Prohibits property from qualifying for Strategic Investment Program exemption if it is or will be used to operate a data center or engage in cryptocurrency data mining.

-A12 Limits expansion of additional exemption period available after year three, from a longer period to 10 additional years, if requested by sponsoring jurisdiction.

-A14 Limits expansion of additional exemption period available after year three, from a longer period to 10 additional years, if requested by sponsoring jurisdiction. Removes capital intensity, productivity improvements, and firm revenue growth as criteria for flexible hiring timelines.

BACKGROUND:

Under the standard enterprise zone exemption, qualified real and personal property owned or leased and newly placed into service by an eligible business firm in a designated enterprise zone may be exempt from property tax for three to five consecutive years. Eligible business firms seeking exemption in years four and five must be authorized by a written agreement with the zone sponsor before construction or job hiring. Written agreements may impose additional conditions on the firm. In urban enterprise zones, written agreements may impose other additional conditions on the firm relating to employment opportunities regardless of the exemption period.

The Industrial Site Loan Fund is a revolving fund that provides financial assistance, including loans, to project sponsors for development and planning projects related to industrial land development. Subject to available funds, such financial assistance may be provided in an amount determined on a case-by-case basis by the Oregon Business Development Department.