



Legislative Fiscal Office
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Bill Title: Relating to economic development; prescribing an effective date.

Government Unit(s) Affected: Parks and Recreation Department, Cities, Counties, Department of Administrative Services, Department of Agriculture, Department of Consumer and Business Services, Department of Energy, Department of Environmental Quality, Department of Fish and Wildlife, Department of Geology and Mineral Industries, Department of Land Conservation and Development, Department of State Lands, Department of Transportation, Employment Department, Judicial Department, Office of the Governor, Oregon Business Development Department, Water Resources Department, Housing and Community Services Department, Metro, Department of Revenue

Summary of Fiscal Impact:

Costs related to the measure are anticipated to be minimal - see explanatory analysis.

Measure Description

The measure establishes the 13-member Joint Permitting Council to administer a fast track permitting program that allows eligible projects to obtain expedited regulatory approval from state agencies. The council consists of one representative from 11 state agencies and two economic development representatives, all of whom are appointed by the Governor to four-year terms. Council members are not entitled to compensation or reimbursement of expenses. The council is required to establish eligibility criteria for the fast track permitting program, including the capital investment required for eligible projects; and review project applications and forward the applications to the Regional Solutions Program to review the projects for consistency with regional economic development priorities. The Regional Solutions Program is to report to the Governor on whether to advance the project, and the Governor is to review each application and determine whether to approve the application. The council is to submit an annual report to the Governor and the Department of Administrative Services (DAS) that describes the status of each project administered in the previous year.

The measure requires eight specific state agencies to publish a catalog of permits issued by the agency that are related to or have an impact on economic development projects. The measure also requires these agencies to submit a report to the Governor.

The measure modifies the requirements for an area to be designated an enterprise zone. The Oregon Business Development Department (OBDD) is to determine that a local area demonstrates a need for economic development, based on evidence provided by cities, counties, or ports. The measure amends the definition of eligible businesses under the Enterprise Zone Program to broaden eligibility. Upon written request from an enterprise zone sponsor, OBDD may approve a waiver or authorize a pilot program allowing a business firm to qualify as an eligible business firm. OBDD is to establish approval criteria for waivers or pilot programs through rulemaking. The measure extends the exemption period for qualified equipment under the Enterprise Zone Program by two additional tax years, or for a period of no more than 10 years if requested by the sponsoring jurisdiction and the project involves substantial capital investment, regional economic impact, or alignment with local development goals, per OBDD rules.

Fiscal Analysis

Counties

The fiscal impact for counties is indeterminate. If a county does not currently have an enterprise zone, that county is unlikely to have any administrative work or costs associated with the Enterprise Zone Program, especially small counties that do not have enterprise zone agreements with business firms. However, by expanding the eligibility criteria and the exemption period for qualified equipment, the number of businesses participating in the Enterprise Zone Program is expected to increase, particularly in medium- and large-sized counties. By increasing the number of participating businesses, the measure may increase a county's administrative costs, due to the statutory responsibility of county assessors to administer the Enterprise Zone Program.

Other entities

There is a minimal fiscal impact for DAS, OBDD, Oregon Department of Agriculture, Department of Consumer and Business Services, Oregon Department of Energy, Department of Environmental Quality, Oregon Department of Fish and Wildlife, Department of Geology and Mineral Industries, Department of Land Conservation and Development, Department of State Lands, Oregon Department of Transportation, Oregon Employment Department, Oregon Judicial Department, Water Resources Department, Office of the Governor, Housing and Community Services Department, Oregon Parks and Recreation Department, Department of Revenue, and cities. There is no fiscal impact for Metro.

Relevant Dates

The measure takes effect on the 91st day after sine die.

The Governor is to appoint members to the Joint Permitting Council by July 1, 2026.

The Joint Permitting Council is to establish eligibility criteria by October 1, 2026.

Within 120 days of the measure's effective date, the agencies specified in Section 5 of the measure are directed to publish the catalog of permits issued by each individual agency and report to the Governor. This reporting requirement sunsets on January 2, 2027.