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WAYS AND MEANS

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To: Capital Construction Subcommittee
From: April McDonald, Legislative Fiscal Office
Date: March 2, 2026
Subject: HB 4084 – Relating to economic development
Work Session Recommendations

HB 4084 establishes the Joint Permitting Council to administer a fast-track permitting program which would allow eligible projects to obtain expedited approval from specified state agencies. The council will establish project eligibility criteria, review applications, and forward eligible projects to the Governor's Office for consideration and determination.

The council must submit an annual report to the Governor and the Department of Administrative Services detailing projects administered in the previous year. Within 120 days of the measure's effective date, each permitting agency must publish a catalog of permits related to economic development and report to the Governor on the performance and operations of their permitting programs.

The measure also modifies the requirements for an area to be designated as an enterprise zone. The Oregon Business Development Department (OBDD) is to determine whether an area demonstrates a need for economic development and establish approval criteria through rulemaking for waivers or pilot programs allowing an organization to qualify as an eligible business firm within an enterprise zone.

Finally, the measure includes a \$40 million General Fund appropriation to OBDD for deposit into the Industrial Site Loan Fund.

There are three recommended amendments to HB 4084. The –B15 amendment removes the \$40 million General Fund appropriation, resulting in a minimal fiscal impact for state agencies and cities. The impact to counties is indeterminate, as the change to county assessor's

administrative costs related to increased participation in the Enterprise Zone Program is unknown.

The –B20 amendment modifies SB 1507 (2026) to limit the tax credit for job creation to certain specified qualified industries. To qualify for the tax credit, a taxpayer must receive an attestation-based certification from OBDD, who will develop the tax credit application process, establish job creation determination methodology, and further define the term “qualified industry” through rulemaking. A Revenue Impact Statement has been issued for the –B20 amendment illustrating a revised impact on General Fund revenue from adding the “qualified industry” requirement to the jobs tax credit. The positive impact on revenue estimated at \$3.5 million for the 2025-27 biennium reflects a narrowing of credit qualification.

HB 4084, as amended by the –B20 amendment, reduces the estimated cost for OBDD to administer the job creation tax credit and therefore decreases the estimated fiscal impact of SB 1507 (2026) for OBDD, due to a reduction in estimated annual certification applications. A total of \$1.3 million in Lottery Funds expenditure limitation and 16 positions (3.50 FTE) for OBDD are included in the 2026 omnibus budget reconciliation bill for administration of SB 1507 (2026). Should HB 4084, as amended by the –B20 amendment become law, the Lottery Funds and position authority no longer needed to administer the program, totaling \$504,456 and seven positions (1.50 FTE), will be reduced during the 2027 legislative session.

HB 4084 allows an enterprise zone sponsor to enter into a written agreement with an eligible business firm to extend the period during which the qualified property is exempt from taxation beyond three years; agree to flexible hiring timelines; and approve alternative performance criteria. The –B24 amendment excludes any qualified property of an authorized business firm with an operating data center from these provisions and prohibits data center properties from authorization as an eligible business firm prior to 90 days after the adjournment of the 2027 legislative session.

HB 4084, as amended by the –B15, –B20, and –B24 amendments, has a net fiscal impact of \$804,565 in Lottery Funds for OBDD. This supports nine positions (2.00 FTE) in the 2025-27 biennium to issue attestation-based certifications of eligibility to taxpayers within qualified industries that created new jobs above a certain wage during the tax year. The fiscal impact represents the same body of work associated with implementation of SB 1507 (2026), the resources for which are provided in HB 5204 (2026).

Amendment

LFO recommends adoption of the –B15 amendment.

MOTION: I move adoption of the –B15 amendment to HB 4084. *(vote)*

LFO recommends adoption of the –B20 amendment.

MOTION: I move adoption of the –B20 amendment to HB 4084. *(vote)*

LFO recommends adoption of the –B24 amendment.

MOTION: I move adoption of the –B24 amendment to HB 4084. *(vote)*

Final Subcommittee Action

LFO recommends that HB 4084, as amended by the –B15, the –B20, and the –B24 amendments, be moved to the Ways and Means Full Committee.

MOTION: I move HB 4084, as amended, to the Full Committee with a do pass recommendation. *(vote)*

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____