

Requested by Senator GOLDEN

**PROPOSED AMENDMENTS TO  
SENATE BILL 1586**

1 On page 1 of the printed bill, line 3, after “285C.067,” insert “285C.135,”  
2 and after “285C.405,” insert “285C.606,”.

3 On page 9, delete lines 25 through 45.

4 On page 10, delete lines 1 through 34 and insert:

5 **“SECTION 13.** ORS 285C.135 is amended to read:

6 “285C.135. (1) To be an eligible business firm, a business firm must be  
7 engaged, or proposing to engage, within the enterprise zone, in the business  
8 of providing goods, products or services to businesses or other organizations  
9 through activities including, but not limited to, manufacturing, assembly,  
10 fabrication, processing, shipping or storage.

11 “(2) A business firm is not an eligible business firm if the firm is:

12 “(a) Engaged within the enterprise zone in the business of providing  
13 goods, products or services to the general public for personal or household  
14 use.

15 “(b) Significantly engaged in a business activity within the enterprise  
16 zone that consists of retail sales or services, child care, housing, retail food  
17 service, health care, tourism, entertainment, financial services, professional  
18 services, **data center operations, cryptocurrency data mining,** leasing  
19 space to others, property management, construction or other similar activ-  
20 ities, even if for another business or organization.

21 “(c) Significantly engaged in operating a fulfillment center within the

1 enterprise zone from which deliveries are made to retail purchasers within,  
2 or in the region surrounding, the enterprise zone.

3 “(3) If a business firm described in subsection (2) of this section engages  
4 in an activity described in subsection (1) of this section, the business firm  
5 is an eligible business firm if the activity is performed at a location that is  
6 separate from the activity of the firm that is described in subsection (2) of  
7 this section. Property at the location at which the firm conducts an activity  
8 described in subsection (2) of this section may not be exempt under ORS  
9 285C.175.

10 “(4) Two or more business firms that otherwise meet the requirements of  
11 this section may elect to be treated as one eligible business firm if 100 per-  
12 cent of the equity interest in the business firms is owned by the same person  
13 or persons, or if one of the business firms owns 100 percent of the equity  
14 interest of the other or others.

15 “(5) Notwithstanding subsections (1) to (3) of this section, each of the  
16 following business firms is an eligible business firm under subsection (1) of  
17 this section:

18 “(a) A business firm engaged in the activity of providing a retail or fi-  
19 nancial service within the enterprise zone if:

20 “(A) The activity serves customers by responding to orders or requests  
21 received only by telephone, computer, the Internet or similar means of tele-  
22 communications; and

23 “(B) Not less than 90 percent of the customers or orders are located and  
24 originate in an area from which long distance telephone charges, in the ab-  
25 sence of a toll-free number, would apply if the order were placed by tele-  
26 phone.

27 “(b) A business firm that operates a facility within the enterprise zone  
28 that serves statewide, regional, national or global operations of the firm  
29 through administrative, design, financial, management, marketing or other  
30 activities, without regard to the relationship of these activities to any oth-

1 erwise eligible activities within the enterprise zone.

2 “(c) A business firm that operates a hotel, motel or destination resort in  
3 the enterprise zone if the sponsor has elected under ORS 285C.070 to treat  
4 a business firm engaged in hotel, motel or destination resort operations in  
5 an enterprise zone as an eligible business firm.

6 “(d) A business firm that is engaged in electronic commerce if the enter-  
7 prise zone has been designated for electronic commerce under ORS 285C.095.

8 **“SECTION 13a.** ORS 285C.403 is amended to read:

9 “285C.403. (1)(a) A business firm proposing to apply for the tax exemption  
10 provided under ORS 285C.409 shall, before the commencement of construction  
11 or installation of property or improvements at a location in a rural enter-  
12 prise zone and before the hiring of employees, apply for certification with the  
13 sponsor of the zone and with the county assessor of the county or counties  
14 in which the zone is located.

15 “(b) A business firm may not be certified under this section if it is sig-  
16 nificantly engaged in:

17 “(A) Operating a fulfillment center within the rural enterprise zone from  
18 which deliveries are made to retail purchasers within, or in the region sur-  
19 rounding, the rural enterprise zone.

20 “(B) Operating a data center.

21 “(C) Cryptocurrency data mining.

22 “(2) An application for certification shall be made on a form prescribed  
23 by the Department of Revenue and shall contain the following information:

24 “(a) A description of the firm’s proposed business operations and facility  
25 in the rural enterprise zone;

26 “(b) A description and estimated cost or value of the property or im-  
27 provements to be constructed or installed at the facility;

28 “(c) An estimate of the number of employees at the facility that will be  
29 hired by the firm;

30 “(d) A commitment to meet the applicable requirements of ORS 285C.412;

1 “(e) A commitment to satisfy all additional conditions agreed to pursuant  
2 to the written agreement between the rural enterprise zone sponsor and the  
3 business firm under subsection (3)(c) of this section; and

4 “(f) Any other information considered necessary by the Department of  
5 Revenue.

6 “(3) The sponsor and the county assessor shall certify the business firm  
7 by approving the application if the sponsor and the county assessor deter-  
8 mine that all of the following requirements have been met:

9 “(a) The governing body of the county and city in which the facility is  
10 located has adopted a resolution approving the property tax exemption for  
11 the facility.

12 “(b) The business firm has committed to meet the applicable requirements  
13 of ORS 285C.412.

14 “(c) The business firm has entered into a written agreement with the  
15 sponsor of the rural enterprise zone that conforms to subsection (4) of this  
16 section.

17 “(d) When the written agreement required under paragraph (c) of this  
18 subsection is executed, the facility is located in:

19 “(A) A qualified rural county; or

20 “(B) A county with chronically low income or chronic unemployment,  
21 based on the most recently revised annual data available.

22 “(4)(a)(A) The written agreement required under subsection (3)(c) of this  
23 section shall state the number of consecutive tax years for which the facility,  
24 following commencement of operations, is to be exempt from property tax  
25 under ORS 285C.409.

26 “(B) The agreement may not provide for a period of exemption that is less  
27 than seven consecutive tax years or more than 15 consecutive tax years.

28 “(C) If the agreement is silent on the number of tax years for which the  
29 facility is to be exempt following placement in service, the exemption shall  
30 be for seven consecutive tax years.

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

3 “(c) The agreement may include any additional requirements that the  
4 sponsor may reasonably request, including but not limited to contributions  
5 for local services or infrastructure benefiting the facility.

6 “(5) The approval of an application by both the sponsor and the county  
7 assessor under subsection (3) of this section shall be prima facie evidence  
8 that the business firm will qualify for the property tax exemption under ORS  
9 285C.409.

10 “(6) The sponsor and the county assessor shall provide copies of an ap-  
11 proved application to the applicant, the Department of Revenue and the  
12 Oregon Business Development Department.

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

18 **“SECTION 13b.** ORS 285C.606 is amended to read:

19 “285C.606. (1) The State of Oregon, acting through the Oregon Business  
20 Development Commission, may determine that real and personal property  
21 constituting a project shall receive the tax exemption provided in ORS  
22 307.123 if:

23 “(a) The project is an eligible project;

24 “(b) The project directly benefits a traded sector industry, as defined in  
25 ORS 285B.280; and

26 “(c) The total cost of the project equals or exceeds:

27 “(A) \$150 million; or

28 “(B) \$40 million, if the project is located in a rural area.

29 “(2) The minimum total costs required under subsection (1)(c) of this  
30 section shall be adjusted each year for the property tax year beginning on

1 July 1 by multiplying \$150 million and \$40 million, respectively, by the ratio  
2 of the increase, if any, in the monthly averaged Consumer Price Index for  
3 All Urban Consumers, West Region, for the 12 consecutive months ending  
4 December 31 of the prior calendar year over the monthly averaged index for  
5 the 12 consecutive months ending December 31, 2023. The amount of any in-  
6 crease determined under this subsection shall be rounded to the nearest  
7 multiple of \$100,000.

8 “(3) In addition to and not in lieu of the determination described in sub-  
9 section (1) of this section, the State of Oregon, acting through the Oregon  
10 Business Development Commission, shall determine that real and personal  
11 property constituting a project shall receive the tax exemption provided in  
12 ORS 307.123 if:

13 “(a) The requirements of subsection (1) of this section are met; and

14 “(b) The project is to be constructed or installed in a strategic investment  
15 zone established under ORS 285C.623.

16 “(4) Notwithstanding subsection (1) or (3) of this section, property may  
17 not qualify for the tax exemption under ORS 307.123 if the property:

18 “(a) Was previously owned or leased by the business firm benefiting from  
19 the tax exemption;

20 “(b) Was previously exempt under ORS 307.123 for any period of time;  
21 [or]

22 “(c) **Is or will be used to operate a data center or engage in**  
23 **cryptocurrency data mining; or**

24 “[c)] (d) If located in a strategic investment zone, is not newly con-  
25 structed or newly installed property.

26 “(5) The State of Oregon, acting through the State Treasurer, may au-  
27 thorize and issue revenue bonds for an eligible project that qualifies for ex-  
28 emption under ORS 307.123 if the project also is eligible for funding through  
29 the issuance of revenue bonds under ORS 285B.320 to 285B.371.

30 “(6) A business firm that will be benefited by an eligible project shall:

1 “(a) Enter into a first-source hiring agreement with a publicly funded job  
2 training provider that will remain in effect until the end of the tax ex-  
3 emption period; and

4 “(b) Hold a job fair after placing a timely announcement of the job fair  
5 through WorkSource Oregon.

6 “(7) If an eligible project is leased or subleased to any person, the lessee  
7 shall be required to pay property taxes levied upon or with respect to the  
8 leased premises only in accordance with ORS 307.123.

9 “(8) For purposes of determining the assessment and taxation of the eli-  
10 gible project in ORS 307.123 and the calculation of the community services  
11 fee in ORS 285C.609 (4)(b), the Oregon Business Development Commission,  
12 when it determines that the project is an eligible project, shall:

13 “(a) Describe the real and personal property to be included in the eligible  
14 project;

15 “(b) Establish the maximum value of the property subject to exemption;  
16 or

17 “(c) Employ a comparable method to define the eligible project.

18 “(9) Property of an eligible project that is currently exempt under ORS  
19 307.123 may remain exempt for any remaining period of exemption allowed  
20 under ORS 307.123 upon the property being acquired by a business firm that  
21 is different from the business firm that initially benefited from the ex-  
22 emption, if the acquiring firm satisfies all applicable requirements under  
23 ORS 285C.600 to 285C.635 and assumes the obligations, conditions, require-  
24 ments and other terms of the agreement described in ORS 285C.609 (4).

25 **“SECTION 13c. (1) The qualified property of a business firm deemed**  
26 **to be an eligible business firm under ORS 285C.135 as in effect before**  
27 **the effective date of this 2026 Act shall continue to receive any ex-**  
28 **emption under ORS 285C.175 that the property was granted before the**  
29 **effective date of this 2026 Act for the remainder of the term of the**  
30 **exemption.**

1       **“(2) The facility of a business firm that was certified under ORS**  
2 **285C.403 as in effect before the effective date of this 2026 Act shall**  
3 **continue to receive any exemption under ORS 285C.409 that the facility**  
4 **was granted before the effective date of this 2026 Act for the remainder**  
5 **of the term of the exemption.**

6       **“(3) Property determined to be an eligible project under ORS**  
7 **285C.606 as in effect before the effective date of this 2026 Act shall**  
8 **continue to receive any exemption under ORS 307.123 that the property**  
9 **was granted before the effective date of this 2026 Act for the remainder**  
10 **of the term of the exemption.”.**

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