

February 16, 2026

Chair Nathanson  
Members of the House Committee on Revenue  
Oregon State Capitol  
900 Court St. NE  
Salem, OR. 97301

Chair Nathanson, and Members of the Committee,

The Special Districts Association of Oregon (SDAO) represents approximately 950 districts with 32 types of districts across the state that play a crucial role in delivering essential public services to our citizens, including fire protection, water supply, sanitation, libraries, parks and recreation, irrigation and more.

While we appreciate the intent behind this legislation, we oppose the provision in the bill that would extend the time of property tax exemptions for Enterprise Zones contained in the bill. Section 9, as we understand it would extend the period for an enterprise zone from 3 years to up to an additional 2 years. And it could be even extended longer if the Oregon Business Development Department (OBDD) adopts rules allowing additional extensions depending on the initial capital investment of the project.

SDAO opposes these extensions for two primary reasons. First, extensions of time for existing property tax exemptions have a direct impact on our members, particularly fire districts, in their ability to maintain the levels of service their patrons have become accustomed to. In the fire service, development breeds additional call volume for our members. In this case a fire district will have to do more with less. As a result, this extension of time for this property tax exemption will have a direct and negative impact on our property tax dependent districts. Our second objection is permitting OBDD to give permission to a sponsoring entity to extend the property tax exemption even longer. We have nothing against OBDD, however, giving OBDD the ability to extend a tax exemption is a highly unusual abdication of the Legislature's role in determining and extending property tax exemptions. Furthermore, the department does not fully understand the impacts and consequences of this program from a property tax perspective and how services of overlapping taxing jurisdictions could be impacted.

As an alternative, we would suggest that if the sponsors of this provision want to extend the time of the property tax exemption, they make their case to the overlapping taxing jurisdictions and get approval of at least 51% of the value from those districts who are impacted by the extension of the exemption. There are multiple examples of property tax exemptions that require the approval of overlapping taxing jurisdiction prior to offering a property tax exemption or abatement.

Examples include 2023 Chapter Law c. 583 created a property tax exemption for new Accessory Dwelling units or converted multi-plex requires approval from taxing districts

based on 51% of property taxes. Certain Single Unit Housing - ORS 307.664 property tax exemption - must get approval from taxing districts based on 51% of property taxes. Rehabilitated Housing property tax exemption - ORS 308.459 - must get approval from taxing districts based on 51% of property taxes. Multi-unit rental housing in designated areas - ORS 307.612 - must get approval from taxing districts based on 51% of property taxes. Nonprofit Low-income rental housing - ORS 307.541- must get approval from taxing districts based on 51% of property taxes. And under urban renewal statutes to make a substantial amendment or extend the life of a plan, ORS 457.470(7), requires the concurrence of at least 75% of the overlapping taxing jurisdictions (based on the taxes divided in the previous year). And there are more examples.

This bill will have a significant impact on many of our members who are already struggling with budgetary shortfalls. Section 9 of this bill would only make things worse. As a result, we ask that you provide an opportunity for overlapping districts to have a say in how their revenue is or will be impacted under this proposal.

Thank you for your consideration,

Sincerely,



Mark J. Landauer  
Lobbyist  
Special Districts Association of Oregon