

**REVENUE: Revenue statement issued**

**FISCAL: Fiscal statement issued**

---

<b>Action:</b>	Do Pass as Amended, Be Printed Engrossed, and Be Referred to the Committee on Revenue by Prior Reference
<b>Vote:</b>	5 - 3 - 0
<b>Yeas:</b>	Doherty, Hoyle, Matthews, Kennemer, Schauffler
<b>Nays:</b>	Conger, Esquivel, Johnson
<b>Exc.:</b>	0
<b>Prepared By:</b>	Theresa Van Winkle, Administrator
<b>Meeting Dates:</b>	3/16, 3/30

---

**WHAT THE MEASURE DOES:** Expands the definition of “public works” to include a construction, reconstruction or major renovation project for a privately owned road, highway, building, structure, or improvement of any type that is located in an enterprise zone, consisting of or sited on real property for which a qualified business has received a property tax exemption under the state’s enterprise zone program, and has a projected cost of at least \$5 million. Requires the public agency that procured the contract for public works or the enterprise zone’s sponsor in which the public works is located, as appropriate, to receive certified statements. Clarifies the conditions under which a project located in an enterprise zone must follow prevailing wage rate law. Establishes a \$5,000 fee for the enterprise zone’s sponsor(s) per project, paid to the Bureau of Labor and Industries (BOLI) as required under prevailing wage law. Establishes when the fee is to be paid. Clarifies how the fee is to be divided in circumstances in which there is more than one sponsor. Requires an enterprise zone’s sponsor to notify the BOLI Commissioner whenever the sponsor has approved an eligible application to have qualified property that is a public work and is exempted from property taxation. Establishes an operative date for 91 days after the measure’s effective date. Declares emergency, effective upon passage.

**ISSUES DISCUSSED:**

- Measures from previous legislative sessions that focused on similar public policy issues
- Average length of a property tax exemption under the enterprise zone program
- Measure’s impact on attracting businesses to locate or expand in Oregon

**EFFECT OF COMMITTEE AMENDMENT:** Clarifies the conditions under which a project located in an enterprise zone must follow prevailing wage rate law. Establishes a \$5,000 fee for the enterprise zone’s sponsor or sponsors, paid to the Bureau of Labor and Industries (BOLI) as required under prevailing wage law. Clarifies how the fee is to be divided when there is more than one sponsor, and when it is to be paid. Requires an enterprise zone’s sponsor to notify the BOLI Commissioner whenever the sponsor has approved an eligible application to have qualified property that is a public work and is exempted from property taxation. Establishes an operative date for 91 days after the measure’s effective date.

**BACKGROUND:** The purpose of Oregon’s enterprise zone system is to help attract private business investment into areas in the state that need additional assistance for attracting businesses to locate or expand existing operations. There are currently 59 enterprise zones in Oregon, sponsored by cities, counties, ports and tribal governments. In exchange for locating or expanding in an enterprise zone, eligible business firms receive total exemption from property taxes normally assessed on new plant and equipment for at least three years in the standard program.

House Bill 2624-A adds a property tax exemption for a firm that complies with prevailing wage law on projects that are for the construction or major renovation of a privately owned road, highway, building, structure, or improvement located within an enterprise zone and has a projected cost of at least \$5 million. The measure also establishes how the required fee for public works projects is to be paid to the Bureau of Labor and Industries, the agency responsible for enforcing prevailing wage law.

4/5/2011 2:04:00 PM

*This summary has not been adopted or officially endorsed by action of the committee.*