

# House Bill 2904

Sponsored by Representative SMITH G

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

For purposes of rural enterprise zone program, provides alternative criterion for eligibility for certification of facility located in county outside all metropolitan statistical areas.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to rural enterprise zones; amending ORS 285C.403; and prescribing an effective date.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 285C.403 is amended to read:

5 285C.403. (1) Any business firm proposing to apply for the tax exemption provided under ORS  
6 285C.409 shall, before the commencement of construction or installation of property or improvements  
7 at a location in a rural enterprise zone and before the hiring of employees, apply for certification  
8 with the sponsor of the zone and with the county assessor of the county or counties in which the  
9 zone is located. The application shall be made on a form prescribed by the Department of Revenue.

10 (2) The application shall contain the following information:

11 (a) A description of the firm's proposed business operations and facility in the rural enterprise  
12 zone;

13 (b) A description and estimated cost or value of the property or improvements to be constructed  
14 or installed at the facility;

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

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

17 (e) A commitment to satisfy all additional conditions agreed to pursuant to the written agree-  
18 ment between the rural enterprise zone sponsor and the business firm under subsection (3)(c) of this  
19 section; and

20 (f) Any other information considered necessary by the Department of Revenue.

21 (3) The sponsor and the county assessor shall certify the business firm by approving the appli-  
22 cation if the sponsor and the county assessor determine that all of the following requirements have  
23 been met:

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

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

27 (c) The business firm has entered into a written agreement with the sponsor of the rural enter-  
28 prise zone that may include any additional requirements that the sponsor may reasonably request,  
29 including but not limited to contributions for local services or infrastructure benefiting the facility.  
30 The written agreement shall state the number of consecutive tax years for which the facility, fol-  
31 lowing commencement of operations, is to be exempt from property tax under ORS 285C.409. The

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 agreement may not provide for a period of exemption that is less than seven consecutive tax years  
2 or more than 15 consecutive tax years. If the agreement is silent on the number of tax years for  
3 which the facility is to be exempt following placement in service, the exemption shall be for seven  
4 consecutive tax years.

5 (d) **When the written agreement required under paragraph (c) of this subsection is exe-**  
6 **cuted,** the facility is located in a county:

7 (A) **Outside all metropolitan statistical areas, as defined by the most recent federal**  
8 **decennial census; or**

9 (B) With chronically low income or chronic unemployment, based on the most recently revised  
10 annual data available [*when the written agreement with the zone sponsor is executed*].

11 (4) The approval of an application by both the sponsor and the county assessor under subsection  
12 (3) of this section shall be prima facie evidence that the business firm will qualify for the property  
13 tax exemption under ORS 285C.409.

14 (5) The sponsor and the county assessor shall provide copies of an approved application to the  
15 applicant, the Department of Revenue and the Oregon Business Development Department.

16 (6) If the sponsor or the county assessor fails or refuses to certify the business firm, the business  
17 firm may appeal to the Oregon Tax Court under ORS 305.404 to 305.560. The business firm shall  
18 provide copies of the firm's appeal to the sponsor, the county assessor, the Oregon Business Devel-  
19 opment Department and the Department of Revenue.

20 **SECTION 2. This 2017 Act takes effect on the 91st day after the date on which the 2017**  
21 **regular session of the Seventy-ninth Legislative Assembly adjourns sine die.**

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