

# D R A F T

## SUMMARY

Establishes requirements for business firm advertising construction project that will be subject to property tax exemption program. Requires business firm to notify enterprise zone sponsor or county if business firm or contractor for firm's construction project enters into project labor agreement.

Requires enterprise zone sponsor or county to provide Oregon Business Development Department with annual report of all project labor agreements entered into under property tax exemption programs.

Requires Oregon Business Development Department to submit annual summary report to legislative committees related to economic development setting forth details of business firm participation in property tax exemption programs.

Increases record retention requirement to demonstrate compliance with prevailing rate of wage to six years. Requires Bureau of Labor and Industries to report annually for five years to Legislative Assembly on efforts to modernize and streamline administration of prevailing rate of wage.

Authorizes rural enterprise zone sponsors to require business firms to satisfy other conditions related to employment opportunities for purposes of enterprise zone property tax exemption.

Amends economic development property tax exemption program statutes to ensure counties, county assessors, business firms, enterprise zone sponsors, Department of Revenue and Oregon Business Development Department receive information, and make commitments, necessary to comply with requirements of Act.

Becomes operative January 1, 2021.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

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Relating to projects receiving public expenditures; creating new provisions; amending ORS 279C.845, 285C.105, 285C.125, 285C.130, 285C.140, 285C.145, 285C.150, 285C.403, 285C.409, 285C.415, 285C.609 and 285C.615; and pre-

1 scribing an effective date.

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

3  
4 **BUSINESS FIRM NOTICE REQUIREMENTS**

5  
6 **SECTION 1. As used in sections 1, 2, 3 and 4 of this 2020 Act:**

7 **(1) “Building or structure” includes, but is not limited to, an energy**  
8 **facility.**

9 **(2)(a) “Construction project” means:**

10 **(A) Construction of a new building or structure;**

11 **(B) An addition or renovation that increases the square footage,**  
12 **footprint or components of an existing building or structure by at least**  
13 **50 percent; or**

14 **(C) The modification of an existing building or structure that**  
15 **changes the use or occupancy classification of the entire building or**  
16 **structure.**

17 **(b) “Construction project” does not include a project that consists**  
18 **solely of:**

19 **(A) Routine maintenance or repair; or**

20 **(B) Changes to machinery and equipment.**

21 **(3) “Exemption” includes “partial exemption.”**

22 **(4) “Project labor agreement” means a prehire collective bargaining**  
23 **agreement with one or more labor organizations that establishes the**  
24 **terms and conditions of employment for a specific construction**  
25 **project.**

26 **(5) “Property tax exemption program” means:**

27 **(a) The enterprise zone ad valorem property tax exemption available**  
28 **under ORS 285C.175 for the qualified property of a subject business**  
29 **firm as defined in subsection (6)(a) of this section in accordance with**  
30 **ORS 285C.050 to 285C.250;**

31 **(b) The long term rural enterprise zone ad valorem property tax**

1 exemption available under ORS 285C.409 for the facility of a subject  
2 business firm as defined in subsection (6)(b) of this section in accord-  
3 ance with ORS 285C.400 to 285C.420; and

4 (c) The strategic investment program ad valorem property tax ex-  
5 emption available under ORS 307.123 for the eligible project of a sub-  
6 ject business firm as defined in subsection (6)(c) of this section in  
7 accordance with ORS 285C.600 to 285C.635.

8 (6) "Subject business firm" means:

9 (a) An eligible business firm authorized under ORS 285C.140 whose  
10 qualified property is granted exemption under ORS 285C.175 (7);

11 (b) A business firm certified under ORS 285C.403 whose facility is  
12 granted exemption under ORS 285C.409 (1)(c); and

13 (c) A business firm whose eligible project is granted exemption un-  
14 der ORS 307.123 in accordance with the provisions of ORS 285C.600 to  
15 285C.635.

16 SECTION 2. (1)(a) A subject business firm undertaking a proposed  
17 construction project that will be subject to the requirements of a  
18 property tax exemption program shall publish at least one advertise-  
19 ment for the construction project:

20 (A) In a newspaper of general circulation or on an Internet website  
21 available in the geographical area in which the construction project  
22 will be undertaken; and

23 (B) In a statewide publication for construction contractors or  
24 building trades.

25 (b) All advertisements published pursuant to this subsection must  
26 include all of the following information:

27 (A) A description of the construction project.

28 (B) Contact information for potential bidders to obtain specifica-  
29 tions for the construction project.

30 (C) The date and time by which bids must be submitted in order to  
31 be considered. The submission deadline must be at least 14 days fol-

1 **lowing the date of the last publication of all advertisements.**

2 **(D) Contact information for submission of bids.**

3 **(E) Whether the construction project will be subject to the pre-**  
4 **vailing rate of wage under ORS 279C.800 to 279C.870.**

5 **(2)(a) A subject business firm shall provide notice of a proposed**  
6 **construction project that is subject to the requirements of a property**  
7 **tax exemption program to at least one statewide building trades or-**  
8 **ganization at least 14 days before the submission deadline for bids for**  
9 **the proposed construction project.**

10 **(b) The notice required under this subsection must include all of the**  
11 **information set forth in subsection (1)(b) of this section.**

12 **(3)(a) As soon as practicable after a subject business firm under-**  
13 **taking a construction project that is subject to the requirements of a**  
14 **property tax exemption program, or a contractor with which the sub-**  
15 **ject business firm has entered into an agreement directly related to**  
16 **the construction project, enters into a project labor agreement with**  
17 **respect to the construction project, the subject business firm shall**  
18 **notify the sponsor of the enterprise zone, or the governing body of the**  
19 **county, as applicable, in which the construction project will be**  
20 **undertaken of the project labor agreement.**

21 **(b) The notice required under this subsection must be sent within**  
22 **30 days following the date on which the project labor agreement be-**  
23 **comes binding on the parties to the agreement.**

24 **(4) The notice requirements under this section do not apply to:**

25 **(a) Any element of a construction project that has been included in**  
26 **a previous notice for the construction project.**

27 **(b) A construction project involving property that qualifies for ex-**  
28 **emption under ORS 285C.145, with respect to any construction, addi-**  
29 **tion, renovation or modification that was commenced before the**  
30 **property qualified under ORS 285C.145.**

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1           **ZONE SPONSOR AND COUNTY REPORTING REQUIREMENT**

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3           **SECTION 3. As soon as practicable after January 1 of each year,**  
4 **the sponsor of an enterprise zone or the governing body of a county**  
5 **shall submit to the Oregon Business Development Department a report**  
6 **setting forth all project labor agreements entered into with respect to**  
7 **each construction project that is subject to the requirements of a**  
8 **property tax exemption program within the zone or county, as appli-**  
9 **cable.**

10  
11                   **OREGON BUSINESS DEVELOPMENT DEPARTMENT**  
12                   **REPORTING REQUIREMENT**

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14           **SECTION 4. (1) On or before December 15 of each year, the Oregon**  
15 **Business Development Department shall submit a summary report to**  
16 **the committees or interim committees, as applicable, of the Legisla-**  
17 **tive Assembly related to economic development, with respect to all**  
18 **subject business firms whose property was granted exemption under**  
19 **a property tax exemption program for the immediately preceding**  
20 **property tax year.**

21           **(2) The summary report required under this section must include**  
22 **the reports required to be submitted to the department under section**  
23 **3 of this 2020 Act and, with respect to each property tax exemption**  
24 **program for the immediately preceding property tax year:**

25           **(a) The name of each subject business firm described in subsection**  
26 **(1) of this section as shown in the records of the department;**

27           **(b) The estimated assessed value of exempt property and the esti-**  
28 **imated amount of ad valorem property taxes that would have been**  
29 **imposed on the property but for the exemption, as entered on the as-**  
30 **essment and tax roll under ORS 285C.175;**

31           **(c) The total amount of fees and other payments made by a subject**

1 **business firm described in subsection (1) of this section to a sponsor,**  
2 **county or any other payee pursuant to any agreement, resolution,**  
3 **policy or standards under a property tax exemption program, exclud-**  
4 **ing administrative fees paid to a county assessor;**

5 **(d) Distributions to counties made under ORS 285C.635; and**

6 **(e) With respect to applicable requirements under the property tax**  
7 **exemption program to which the property of the subject business firm**  
8 **is subject, if any:**

9 **(A) The number of new and existing employees; and**

10 **(B) The average annual wages paid to employees, with or without**  
11 **benefits, as available.**

12 **(3) The department may include in the summary report or other-**  
13 **wise release any other information the department considers necessary**  
14 **or convenient to establish the context of the information included**  
15 **under subsection (2) of this section, subject to all applicable laws**  
16 **governing the confidentiality of the information.**

17 **SECTION 5. The first summary report required under section 4 of**  
18 **this 2020 Act must be submitted on or before December 15, 2021.**

19

20 **PREVAILING RATE OF WAGE RECORD RETENTION AND**  
21 **REPORT BY BUREAU OF LABOR AND INDUSTRIES**

22

23 **SECTION 6. ORS 279C.845 is amended to read:**

24 **279C.845. (1) [The] A contractor or the contractor's surety and every**  
25 **subcontractor or the subcontractor's surety shall file certified statements**  
26 **with the public agency in writing, on a form prescribed by the Commissioner**  
27 **of the Bureau of Labor and Industries, certifying:**

28 **(a) The hourly rate of wage paid each worker whom the contractor or the**  
29 **subcontractor has employed upon the public works; and**

30 **(b) That no worker employed upon the public works has been paid less**  
31 **than the prevailing rate of wage or less than the minimum hourly rate of**

1 wage specified in the contract.

2 (2) The certified statement [*shall*] **must** be verified by the oath of the  
3 contractor or the contractor's surety or subcontractor or the subcontractor's  
4 surety that the contractor or subcontractor has read the certified statement,  
5 that the contractor or subcontractor knows the contents of the certified  
6 statement and that to the contractor or subcontractor's knowledge the cer-  
7 tified statement is true.

8 (3) The certified statements [*shall*] **must** set out accurately and com-  
9 pletely the contractor's or subcontractor's payroll records, including the  
10 name and address of each worker, the worker's correct classification, rate  
11 of pay, daily and weekly number of hours worked and the gross wages the  
12 worker earned upon the public works during each week identified in the  
13 certified statement.

14 (4) The contractor or subcontractor shall deliver or mail each certified  
15 statement required by subsection (1) of this section to the public agency.  
16 Certified statements for each week during which the contractor or subcon-  
17 tractor employs a worker upon the public works [*shall*] **must** be submitted  
18 once a month, by the fifth business day of the following month. Information  
19 submitted on certified statements may be used only to ensure compliance  
20 with the provisions of ORS 279C.800 to 279C.870.

21 (5) Each contractor or subcontractor shall preserve the certified state-  
22 ments for a period of [*three*] **six** years from the date of completion of the  
23 contract.

24 (6) Certified statements [*received by*] **that** a public agency **receives** are  
25 public records subject to the provisions of ORS 192.311 to 192.478.

26 (7) Notwithstanding ORS 279C.555 or 279C.570 (7), if a contractor [*is re-*  
27 *quired to*] **must** file certified statements under this section, the public  
28 agency shall retain 25 percent of any amount earned by the contractor on  
29 the public works until the contractor has filed with the public agency cer-  
30 tified statements as required by this section. The public agency shall pay the  
31 contractor the amount retained under this subsection within 14 days after

1 the contractor files the certified statements as required by this section, re-  
2 gardless of whether a subcontractor has failed to file certified statements as  
3 required by this section. The public agency is not required to verify the truth  
4 of the contents of certified statements [*filed by*] the contractor **files** under  
5 this section.

6 (8) Notwithstanding ORS 279C.555, the contractor shall retain 25 percent  
7 of any amount [*earned by*] a first-tier subcontractor **earns** on a public works  
8 until the subcontractor has filed with the public agency certified statements  
9 as required by this section. The contractor shall verify that the first-tier  
10 subcontractor has filed the certified statements before the contractor may  
11 pay the subcontractor any amount retained under this subsection. The con-  
12 tractor shall pay the first-tier subcontractor the amount retained under this  
13 subsection within 14 days after the subcontractor files the certified state-  
14 ments as required by this section. Neither the public agency nor the con-  
15 tractor is required to verify the truth of the contents of certified statements  
16 filed by a first-tier subcontractor under this section.

17 **SECTION 7. Section 8 of this 2020 Act is added to and made a part**  
18 **of ORS 279C.800 to 279C.870.**

19 **SECTION 8. (1) The Commissioner of the Bureau of Labor and In-**  
20 **dustries, in cooperation with the advisory committee described in ORS**  
21 **279C.820, each year shall review the policies, procedures and methods**  
22 **by which the Bureau of Labor and Industries implements and admin-**  
23 **isters ORS 279C.800 to 279C.870, with the aim of modernizing and**  
24 **streamlining the bureau's implementation and administration.**

25 **(2) The commissioner shall report the results of the review de-**  
26 **scribed in subsection (1) of this section to an interim committee of the**  
27 **Legislative Assembly related to public works not later than December**  
28 **31 in each of five successive years, beginning in 2021. The report must**  
29 **describe the scope and nature of the review, the results of the review**  
30 **and any recommendations for changes to legislation, administrative**  
31 **rules or bureau policies and procedures that would further the objec-**



1 **tives of modernizing and streamlining the implementation and ad-**  
2 **ministration of ORS 279C.800 to 279C.870.**

3 **(3) This section is repealed on January 1, 2026.**

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5 **RURAL ZONE SPONSORS' AUTHORITY**  
6 **TO NEGOTIATE CONDITIONS**  
7

8 **SECTION 9.** ORS 285C.150 is amended to read:

9 285C.150. (1) The sponsor of an [*urban*] enterprise zone may require an  
10 eligible business firm seeking authorization under ORS 285C.140 to satisfy  
11 other conditions in order for the **business** firm to be authorized.

12 (2) The conditions that a sponsor may impose under this section must be  
13 reasonably related to the public purpose of providing opportunities for  
14 groups of persons, as defined by the sponsor, to obtain employment, including  
15 but not limited to providing training to these groups of persons.

16 (3) The sponsor may establish procedures for monitoring and verifying  
17 compliance with conditions imposed on the **eligible business** firm under this  
18 section and require the **business** firm to agree to the procedures as a con-  
19 dition to authorizing the **business** firm.

20 (4) Conditions established under this section may be imposed on [*a*] **an**  
21 **eligible business** firm only if the sponsor has adopted a policy that estab-  
22 lishes standards for the imposition of the conditions.

23 (5) Conditions imposed by a sponsor under this section shall be in addi-  
24 tion to, and not in lieu of, conditions and requirements imposed under ORS  
25 285C.050 to 285C.250 or pursuant to an agreement entered into under ORS  
26 285C.160 and do not affect the duties of the Department of Revenue or of the  
27 county assessor under ORS 285C.050 to 285C.250.

28 (6) [A] **The** sponsor of an [*urban*] enterprise zone that imposes conditions  
29 for authorization on eligible business firms under this section shall submit  
30 a written report every four years to the Legislative Assembly concerning the  
31 application and effects of the conditions on business firms within the enter-

1 prise zone.

2

3 **AMENDMENTS FOR NOTICE AND REPORTING REQUIREMENTS**  
4 **OF BUSINESS FIRMS, ZONE SPONSORS AND**  
5 **OREGON BUSINESS DEVELOPMENT DEPARTMENT**

6

7 **SECTION 10.** ORS 285C.105 is amended to read:

8 285C.105. (1) The sponsor of an enterprise zone shall:

9 (a) Appoint a local zone manager. Upon appointment of the local zone  
10 manager, the sponsor shall provide written notice [*thereof*] **of the appoint-**  
11 **ment** to the Oregon Business Development Department, the county assessor  
12 and the Department of Revenue.

13 (b) Provide, and assist all authorized or qualified business firms in using,  
14 enhanced local public services, local incentives and local regulatory flexi-  
15 bility that a sponsor has elected, by policy, to provide to any **business** firm  
16 seeking authorization in [*that*] **the enterprise** zone after adoption of the  
17 policy.

18 (c) Review and approve or deny applications for authorization under ORS  
19 285C.140.

20 (d) Assist the county assessor in administering the property tax exemption  
21 and in performing other duties assigned to the assessor under ORS 285C.050  
22 to 285C.250.

23 (e) Maintain, implement and periodically update a plan for marketing the  
24 enterprise zone, including strategies for retention, expansion, start-up and  
25 recruitment of eligible business firms.

26 (f) Manage the enterprise zone in accordance with ORS 285C.050 to  
27 285C.250.

28 (g) Identify property available for sale or lease to eligible business firms  
29 under ORS 285C.110.

30 (h) Prepare indices of street addresses, tax lot numbers or other informa-  
31 tion to facilitate the identification of land inside [*of*] an urban enterprise

1 zone.

2 (i) Provide written notice to the county assessor, the Department of Rev-  
3 enue, the Oregon Business Development Department and any relevant pub-  
4 licly funded job training provider of the conditions and policies adopted or  
5 normally sought by the sponsor under ORS 285C.150, 285C.155, 285C.160,  
6 [or] 285C.203 **or 285C.205**, and take the actions necessary to implement and  
7 enforce the conditions and policies and any other reasonable requirements  
8 imposed pursuant to ORS 285C.155[,] **or 285C.160 [or 285C.203]**.

9 (j) Conduct, or assist in conducting, annual reporting of enterprise zone  
10 activity [*or effort,*] if requested **to do so** by the county assessor or the  
11 Oregon Business Development Department. **Such assistance includes, but**  
12 **is not limited to, reviewing and responding to drafts of the written**  
13 **reports due from the county assessor under ORS 285C.130 and from the**  
14 **department under section 4 of this 2020 Act.**

15 (k) **Prepare an annual report as directed by the department listing**  
16 **each payment made in cash by a business firm under ORS 285C.140 (1),**  
17 **285C.205 (3) or 285C.240 (6), or as a result of any additional condition**  
18 **or other requirement established by a sponsor pursuant to ORS**  
19 **285C.150, 285C.155 or 285C.160.**

20 (2) If more than one city, county or port sponsors an enterprise zone, the  
21 jurisdictions shall act jointly in performing the duties imposed on a sponsor  
22 under ORS 285C.050 to 285C.250.

23 **SECTION 11.** ORS 285C.125 is amended to read:

24 285C.125. For the purposes of ORS 285C.050 to 285C.250, the Department  
25 of Revenue shall:

26 (1) Adopt any rules the Department of Revenue considers necessary to  
27 implement ORS 285C.125, 285C.130, 285C.140, 285C.145, 285C.165, 285C.175,  
28 285C.180, 285C.185, 285C.190, 285C.220, 285C.225, 285C.230, 285C.235 and  
29 285C.240.

30 (2) Assist the Oregon Business Development Department, county assessors  
31 and the sponsors of enterprise zones in their efforts to authorize or qualify

1 eligible business firms.

2 (3) Assist an eligible business firm proposing to do business within an  
3 enterprise zone or doing business within an enterprise zone to obtain the  
4 benefits of applicable tax incentive or inducement programs administered or  
5 supervised by the Department of Revenue.

6 (4) Issue and print forms and worksheets to be used by business firms to  
7 make authorization applications or exemption claims.

8 **(5) In consultation with the Oregon Business Development Depart-**  
9 **ment, prescribe the form of the written report required to be submit-**  
10 **ted by county assessors under ORS 285C.130 (5).**

11 **(6) Assist county assessors with the written report required under**  
12 **ORS 285C.130 (5) and the Oregon Business Development Department**  
13 **with the annual summary report required under section 4 of this 2020**  
14 **Act.**

15 **SECTION 12.** ORS 285C.130 is amended to read:

16 285C.130. The assessor of a county within which an enterprise zone is  
17 located shall:

18 (1) Assist the sponsor, the local zone manager appointed by the sponsor  
19 and business firms in determining whether property will qualify for [a] **the**  
20 property tax exemption under ORS 285C.175.

21 (2) Review and approve or deny applications from eligible business firms  
22 for authorization under ORS 285C.140.

23 (3) Process claims for property tax exemptions filed under ORS 285C.220  
24 and exempt the qualified property of authorized business firms from ad  
25 valorem property taxation in accordance with ORS 285C.050 to 285C.250.

26 (4) Take action necessary under ORS 285C.240.

27 (5) Submit a written report to the Department of Revenue on or before  
28 July 1 of each assessment year. The report for each enterprise zone, or por-  
29 tion of [a] **an enterprise** zone that is located in the county, shall include  
30 the following information, organized by business firm:

31 (a) The assessor's estimate of the assessed value of qualified property that

1 was exempt under ORS 285C.175 for the previous tax year and **of** the taxes  
2 that would have been imposed on the qualified property, as entered on the  
3 assessment and tax roll under ORS 285C.175 (7).

4 (b) The annual average number of employees of the **business** firm within  
5 the enterprise zone during the previous assessment year, as reported on the  
6 exemption claim filed under ORS 285C.220.

7 (c) The annual average **wage and** compensation for the previous assess-  
8 ment year of new employees hired by the **business** firm within the enterprise  
9 zone, if the **business** firm is subject to [*the annual compensation*] **any** re-  
10 quirements [*of*] **under** ORS 285C.160 [(3)], as reported on the exemption claim  
11 filed under ORS 285C.220.

12 (d) The assessor's estimate of the assessed value, for the current tax year,  
13 of qualified property that was exempt under ORS 285C.175 for the previous  
14 tax year and that is not exempt under ORS 285C.175 for the current tax year.

15 (e) The total investment cost of qualified property first reported on the  
16 exemption claim filed under ORS 285C.220 that includes a property schedule  
17 submitted by the business firm pursuant to ORS 285C.225 for the current tax  
18 year.

19 (f) The current number of employees of the **business** firm, as reported on  
20 the exemption claim filed under ORS 285C.220 and described in paragraph (e)  
21 of this subsection.

22 (g) Any other information the assessor or the Department of Revenue  
23 considers appropriate.

24 (6) Send a copy of a report prepared under subsection (5) of this section  
25 to the sponsor of the enterprise zone and to the Oregon Business Develop-  
26 ment Department **and, upon request of the Oregon Business Develop-**  
27 **ment Department, clarify or confirm information contained in the**  
28 **report for purposes of section 4 of this 2020 Act.**

29 **SECTION 13.** ORS 285C.140 is amended to read:

30 285C.140. (1)(a) Any eligible business firm seeking to have property ex-  
31 empt from property taxation under ORS 285C.175 shall, before the com-

1 mencement of direct site preparation activities or the construction, addition,  
2 modification or installation of qualified property in an enterprise zone, and  
3 before the hiring of eligible employees, apply for authorization under this  
4 section.

5 (b) The application shall be made on a form prescribed by the Department  
6 of Revenue and the Oregon Business Development Department.

7 (c) The application shall be filed with the sponsor of the **enterprise** zone.  
8 A sponsor may require that the application filed with the sponsor be ac-  
9 companied by a filing fee. If required, the filing fee may not exceed the  
10 greater of \$200 or one-tenth of one percent of the value of the investment in  
11 qualified property that is proposed in the application for authorization. The  
12 filing fee may be required for the filing of applications only after the sponsor  
13 adopts a policy, consistent with Oregon Business Development Department  
14 rules, authorizing the imposition of the filing fee.

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

16 (a) A description of the nature of the **business** firm's current and pro-  
17 posed business operations inside the boundary of the enterprise zone;

18 (b) A description and estimated value of the qualified property to be  
19 constructed, added, modified or installed inside the boundary of the enter-  
20 prise zone;

21 (c) The number of employees [*of the firm*] that the **business** firm employs  
22 within the enterprise zone, averaged over the previous 12 months, and an  
23 estimate of the number of employees that the **business** firm will hire;

24 (d) A commitment to meet all requirements of ORS 285C.200 and 285C.215,  
25 and to verify compliance with these requirements;

26 (e) A commitment to satisfy all additional conditions for authorization  
27 that are imposed by the enterprise zone sponsor under ORS 285C.150,  
28 285C.155 or 285C.205 or pursuant to an agreement entered into under ORS  
29 285C.160, and to verify compliance with these additional conditions;

30 (f) A commitment to renew the application, consistent with ORS 285C.165,  
31 every two years while the **enterprise** zone exists if the **business** firm has

1 not filed a claim under ORS 285C.220 that is based on the application;  
2 [*and*]

3 **(g) A commitment to advertise construction projects in accordance**  
4 **with section 2 of this 2020 Act; and**

5 [*(g)*] **(h)** Any other information considered necessary by the Department  
6 of Revenue and the Oregon Business Development Department.

7 (3) After an application is submitted to a sponsor, the business firm may  
8 revise or amend the application. An amendment or revision may not be made  
9 on or after January 1 of the first assessment year for which [*the*] **any** qual-  
10 ified property associated with the application is exempt under ORS 285C.175.

11 (4) If an application for authorization appears to be complete and the  
12 proposed investment appears to be eligible for authorization, the sponsor and  
13 the business firm shall conduct a preauthorization conference. The assessor  
14 of the county in which the property will be located shall be timely notified  
15 and have the option to participate in the conference. The conference shall:

16 (a) Identify issues with the potential to affect compliance with relevant  
17 exemption requirements, including but not limited to enterprise zone bound-  
18 ary amendments;

19 (b) Arrange for methods and procedures to establish and verify compli-  
20 ance with applicable requirements; and

21 (c) Identify the person who is obligated to notify the county assessor if  
22 requirements are not satisfied.

23 (5) Upon completion of the preauthorization conference required under  
24 subsection (4) of this section, the sponsor shall prepare a written summary  
25 of the conference, attach the summary to the application and forward the  
26 application to the county assessor for review.

27 (6) Following the preauthorization conference under subsection (4) of this  
28 section, the sponsor and the county assessor shall authorize the business firm  
29 by approving the application, if the sponsor and county assessor determine  
30 that:

31 (a) The current or proposed operations of the business firm in the enter-

1   prise zone result in the **business** firm being eligible under ORS 285C.135; and

2       (b) The **business** firm has made the commitments and provided the other  
3   information required under subsection (2) of this section.

4       (7) If the business firm seeking authorization is an eligible business firm  
5   described in ORS 285C.135 (5)(b), the sponsor must, as a condition of ap-  
6   proving the application, make a formal finding that the business firm is an  
7   eligible business firm under ORS 285C.135 and that the size of the proposed  
8   investment, the employment at the facility of the **business** firm or the nature  
9   of the activities to be undertaken by the **business** firm within the enterprise  
10   zone will significantly enhance the local economy, promote the purposes for  
11   which the **enterprise** zone was created and increase employment within the  
12   **enterprise** zone.

13       (8) The approval of both the sponsor and the county assessor under this  
14   section shall be prima facie evidence that the qualified property of the  
15   business firm will receive the property tax exemption under ORS 285C.175.  
16   [In] **Within 30 days of** approving the application, the sponsor and county  
17   assessor shall provide proof of approval as directed by the Oregon Business  
18   Development Department, **including, but not limited to, any executed**  
19   **agreement, resolution, policy or standards setting forth additional**  
20   **conditions or requirements imposed under ORS 285C.150, 285C.155 or**  
21   **285C.160.**

22       (9) If the sponsor or county assessor fails or refuses to authorize the  
23   business firm, the business firm may appeal to the Oregon Tax Court under  
24   ORS 305.404 to 305.560. The business firm shall provide copies of the **busi-**  
25   **ness** firm's appeal to the sponsor, county assessor, the Department of Reve-  
26   nue and the Oregon Business Development Department.

27       (10) Authorization under this section does not ensure that property con-  
28   structed, added, modified or installed by the authorized business firm will  
29   receive property tax exemption under ORS 285C.175. The sponsor and the  
30   county assessor are not liable in any way if the Department of Revenue or  
31   the county assessor later determines that an authorized business firm does



1 not satisfy the requirements for an exemption on qualified property.

2 (11) Notwithstanding subsection (1) of this section, if an eligible business  
3 firm has begun or completed the construction, addition, modification or in-  
4 stallation of property that meets the qualifications of ORS 285C.180, and the  
5 property has not yet been subject to property tax after having been placed  
6 in service, then, for purposes of ORS 285C.050 to 285C.250, the **business** firm  
7 shall be authorized under this section if the **business** firm files an applica-  
8 tion that is allowed under subsection (12) of this section and is otherwise  
9 authorized under this section.

10 (12) Late submission of an application under this section is allowed if:

11 (a) A rule permits late submissions of applications under this section; or

12 (b) The Department of Revenue waives filing deadline requirements under  
13 this section. The department shall issue a letter to the eligible business firm  
14 and zone sponsor setting forth the waiver under this paragraph.

15 **SECTION 14.** ORS 285C.145 is amended to read:

16 285C.145. (1) The Legislative Assembly finds that the standard procedure  
17 for authorization in an enterprise zone inappropriately deters development  
18 or redevelopment of qualified buildings on speculation for subsequent sale  
19 or lease to eligible business firms.

20 (2) Notwithstanding ORS 285C.140 (1), a new building or structure or an  
21 addition to or modification of an existing building or structure may qualify  
22 for the exemption allowed under ORS 285C.175 if the qualified property is  
23 leased or sold by an unrelated party to one or more authorized business firms  
24 after commencement of the construction, addition or modification but prior  
25 to use or occupancy of the qualified property.

26 (3) A business firm may not be considered authorized and is not qualified  
27 for the exemption allowed under ORS 285C.175 if the county assessor dis-  
28 covers prior to initially granting the exemption that the application for au-  
29 thorization was not submitted by the business firm in a timely manner in  
30 accordance with ORS 285C.140, except as allowed under subsection (2) of this  
31 section or ORS 285C.140 (11) and (12).

1 (4)(a) Records, communications or information submitted to a public body  
2 by a business firm for purposes of ORS 285C.050 to 285C.250 **are exempt**  
3 **from disclosure under ORS 192.311 to 192.478 if the records, communi-**  
4 **cations or information:**

5 (A) *[that]* Identify *[a]* particular qualified property;[,]

6 (B) *[that]* Reveal investment plans prior to authorization;[,]

7 (C) *[that]* Include the compensation the **business** firm provides to **any**  
8 **individual employee of the business** firm *[employees,]*;

9 (D) *[that]* Are described in ORS 192.355 (17); or

10 (E) *[that]* Are submitted under ORS 285C.225 or 285C.235 *[are exempt from*  
11 *disclosure under ORS 192.311 to 192.478].*

12 (b) **Records, communications and information described in para-**  
13 **graph (a) of this subsection may** *[and, as appropriate, shall]* be shared  
14 among the county assessor, the zone sponsor, the Department of Revenue and  
15 the Oregon Business Development Department, **as appropriate.**

16 **SECTION 15.** ORS 285C.403 is amended to read:

17 285C.403. (1) Any business firm proposing to apply for the tax exemption  
18 provided under ORS 285C.409 shall, before the commencement of construction  
19 or installation of property or improvements at a location in a rural enter-  
20 prise zone and before the hiring of employees, apply for certification with the  
21 sponsor of the zone and with the county assessor of the county *[or counties]*  
22 in which the *[zone]* **business firm's proposed facility** is located. The ap-  
23 plication shall be made on a form prescribed by the Department of Revenue.

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

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

27 (b) A description and estimated cost or value of the property or improve-  
28 ments to be constructed or installed at the facility;

29 (c) An estimate of the number of employees at the facility that will be  
30 hired by the **business** firm;

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

1 **and to submit to the sponsor for each year of exemption under ORS**  
2 **285C.409 (1)(c) the number of full-time employees, and the annual av-**  
3 **erage wage and compensation of the employees, at the exempt**  
4 **facility;**

5 (e) A commitment to satisfy all additional conditions agreed to pursuant  
6 to the written agreement between the rural enterprise zone sponsor and the  
7 business firm under subsection (3)(c) of this section; *[and]*

8 **(f) A commitment to advertise construction projects in accordance**  
9 **with section 2 of this 2020 Act; and**

10 *[(f)]* **(g)** Any other information considered necessary by the Department  
11 of Revenue.

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

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

18 (b) The business firm has *[committed to meet the applicable requirements*  
19 *of ORS 285C.412.]* **made the commitments and provided the information**  
20 **required under subsection (2) of this section.**

21 (c) The business firm has entered into a written agreement with the  
22 sponsor of the rural enterprise zone that may include any additional re-  
23 quirements that the sponsor may reasonably request, including but not lim-  
24 ited to contributions for local services or infrastructure benefiting the  
25 facility. The written agreement shall state the number of consecutive tax  
26 years for which the facility, following commencement of operations, is to be  
27 exempt from property tax under ORS 285C.409. The agreement may not pro-  
28 vide for a period of exemption that is less than seven consecutive tax years  
29 or more than 15 consecutive tax years. If the agreement is silent on the  
30 number of tax years for which the facility is to be exempt following place-  
31 ment in service, the exemption shall be for seven consecutive tax years.

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

3 (A) A qualified rural county; or

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

6 (4) 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 (5) **Within 30 days of approving an application,** the sponsor and the  
11 county assessor shall provide copies of [an] **the** approved application to the  
12 applicant, the Department of Revenue and the Oregon Business Development  
13 Department, **including, but not limited to, the written agreement exe-**  
14 **cuted pursuant to subsection (3)(c) of this section.**

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

20 **SECTION 16.** ORS 285C.409 is amended to read:

21 285C.409. (1) A facility of a certified business firm is exempt from ad  
22 valorem property taxation:

23 (a) For the first tax year following the calendar year in which the busi-  
24 ness firm is certified under ORS 285C.403 or after which construction or re-  
25 construction of the facility commences, whichever event occurs later;

26 (b) For each subsequent tax year in which the facility is not yet in service  
27 as of the assessment date; and

28 (c) For a period of at least seven consecutive tax years but not more than  
29 15 consecutive tax years, as provided in the written agreement between the  
30 business firm and the rural enterprise zone sponsor under ORS 285C.403  
31 (3)(c), if the facility satisfies the requirements of ORS 285C.412. The period

1 described in this paragraph shall commence as of the first tax year in which  
2 the facility is in service as of the assessment date.

3 (2) An exemption under this section may not be allowed for real or per-  
4 sonal property that has received a property tax exemption under ORS  
5 285C.170 or 285C.175.

6 (3) For each tax year that the facility is exempt from taxation under this  
7 section, the county assessor shall:

8 (a) Enter on the assessment and tax roll, as a notation, the real market  
9 value and assessed value of the facility, **as if the facility were not**  
10 **exempt.**

11 (b) Enter on the assessment and tax roll, as a notation, the amount of tax  
12 that would be due if the facility were not exempt.

13 (c) Indicate on the assessment and tax roll that the property is exempt  
14 and is subject to potential additional taxes as provided in ORS 285C.420 by  
15 adding the notation “enterprise zone exemption (potential additional tax).”

16 (4) [*The amount determined under subsection (3)(b)*] **On or before De-**  
17 **cember 31 of each tax year, the county assessor shall report the value**  
18 **and amount entered on the assessment and tax roll under subsection**  
19 **(3)(a) and (b) of this section, and the name of the business firm, [*shall be***  
20 ***reported*]** to the Department of Revenue [*on or before December 31 of each tax*  
21 *year so that the department may compute the*], **the Oregon Business Devel-**  
22 **opment Department and the sponsor for purposes that include, but are**  
23 **not limited to, the Department of Revenue’s computation of the dis-**  
24 **tributions described in ORS 317.131.**

25 (5) The following property may not be exempt from property taxation  
26 under this section:

27 (a) Land.

28 (b) Any property that existed at the facility on an assessment date before  
29 the assessment date for the first tax year for which property of the **business**  
30 **firm is exempt under this section.**

31 **SECTION 17.** ORS 285C.415 is amended to read:

1 285C.415. [*Upon meeting the applicable requirements of ORS 285C.412, the*  
2 *certified business firm shall notify the county assessor in writing that the ap-*  
3 *plicable requirements have been met.*]

4 **(1) On or before the date on which a requirement under ORS**  
5 **285C.412 must be satisfied, a certified business firm shall notify the**  
6 **county assessor in writing when the requirement has been met or of**  
7 **the extent to which the requirement has not been met. The notice**  
8 **must include the total cost of the facility at the end of the calendar**  
9 **year in which the facility is placed in service.**

10 **(2) A certified business firm shall submit to the sponsor for each**  
11 **year of exemption under ORS 285C.409 (1)(c) the number of full-time**  
12 **employees, and the annual average wage and compensation of the**  
13 **employees, at the exempt facility. If the certified business firm fails**  
14 **to make the submission, the sponsor shall notify the county assessor**  
15 **in writing of the failure.**

16 **(3) The sponsor shall report annually to the county assessor, the**  
17 **Department of Revenue and the Oregon Business Development De-**  
18 **partment with respect to each certified business firm having a facility**  
19 **in the enterprise zone that is exempt under ORS 285C.409 (1)(c):**

20 **(a) The number of new and existing full-time employees at the fa-**  
21 **cility;**

22 **(b) The average wage and compensation of all employees at the fa-**  
23 **cility; and**

24 **(c) The amount of any payment in cash made by a certified business**  
25 **firm as the result of any additional requirement included in the writ-**  
26 **ten agreement entered into pursuant to ORS 285C.403 (3)(c).**

27 **(4) Upon request, the county assessor, sponsor and the Department**  
28 **of Revenue shall assist the Oregon Business Development Department**  
29 **to clarify or confirm the information described in ORS 285C.409 and**  
30 **this section for purposes of section 4 of this 2020 Act.**

31 **(5) The Oregon Business Development Department may specify, by**

1 **rule, the manner and timing of submissions by a certified business**  
2 **firm to a sponsor, and by the sponsor to the Oregon Business Devel-**  
3 **opment Department, required under this section.**

4 **SECTION 18.** ORS 285C.609 is amended to read:

5 285C.609. (1) A determination under ORS 285C.606 (1) by the Oregon  
6 Business Development Commission that a project shall be exempt from  
7 property taxation under ORS 307.123 must be requested by official action of  
8 the governing body of the county [*taken*] **in which the project will be**  
9 **undertaken** at a regular or duly called special meeting [*thereof*] by the af-  
10 firmative vote of a majority of its members.

11 (2)(a) **Not later than 30 days following the official action taken**  
12 **pursuant to subsection (1) of this section,** the governing body of [*any*  
13 *Oregon*] **the** county shall forward appropriate prospective eligible projects  
14 to the Oregon Business Development Department for processing.

15 (b) **Each prospective eligible project must be accompanied by a re-**  
16 **cord of the public hearing required under subsection (4) of this section,**  
17 **proof of the official action taken pursuant to subsection (1) of this**  
18 **section, a copy of the agreement executed pursuant to subsection**  
19 **(4)(a) of this section and any other documents or information consid-**  
20 **ered convenient or necessary.**

21 (3) For purposes of this section, for projects located on a federally re-  
22 cognized Oregon Indian reservation, the governing body of a county shall be  
23 considered to be the governing body of the federally recognized Oregon In-  
24 dian tribe.

25 (4) The county may not make the request under subsection (1) of this  
26 section unless, after a public hearing:

27 (a) The county and, if the proposed eligible project will be located within  
28 a city, the city have entered into an agreement with the business firm, as  
29 described in this subsection.

30 (b) The agreement provides for the payment of a fee by the business firm,  
31 as follows:

1 (A) The fee shall be for community services support that relates to the  
2 direct impact of the eligible project on public services.

3 (B) The fee shall be in an amount equal to 25 percent of the property  
4 taxes that would, but for the exemption, be due on the exempt property in  
5 each assessment year, but not exceeding \$2.5 million in any year.

6 (C) The fee shall be paid annually during the tax exemption period, as  
7 of a date set forth in the agreement.

8 (c) The agreement provides for the refunding or crediting of overpay-  
9 ments, for interest on late payments or underpayments and for the manner  
10 in which the appeal of the assessed value of the property included in the  
11 project will affect the fee.

12 **(d) The agreement includes a commitment by the business firm to**  
13 **advertise construction projects in accordance with section 2 of this**  
14 **2020 Act.**

15 (5) The agreement described in subsection (4) of this section may provide  
16 for any other requirements related to the project.

17 (6)(a) The fee collected under subsection (4)(b) of this section shall be  
18 distributed by the county based on an agreement. The agreement is effective  
19 only if:

20 (A) The county and the city, if any, in which the eligible project is lo-  
21 cated have entered into the agreement; and

22 (B) Local taxing districts listed in ORS 198.010 or 198.180 that constitute  
23 at least 75 percent of the property tax authority of all local taxing districts  
24 listed in ORS 198.010 or 198.180 in the code area in which the eligible project  
25 is located have entered into the agreement.

26 (b) If an effective agreement is not entered into under paragraph (a) of  
27 this subsection within three months after the date of the determination by  
28 the commission under ORS 285C.606 (1), the commission shall, by official  
29 action, establish a formula for distributing the fee collected under subsection  
30 (4)(b) of this section.

31 **SECTION 19.** ORS 285C.615 is amended to read:



1 285C.615. (1) On or before April 1 following each tax year that property  
2 is exempt under ORS 307.123, the business firm that owns or leases the ex-  
3 empt property shall submit a report to the Oregon Business Development  
4 Department, in addition to any other reporting or filing requirement.

5 (2) The report shall be in a form prescribed by the Oregon Business De-  
6 velopment Department and shall include:

7 (a) The assessed value and location of taxable and exempt property con-  
8 stituting the eligible project and the corresponding payment and savings of  
9 property taxes for the **current** tax year, **if any**, as ascertained from the  
10 county assessor;

11 (b) The amount and disposition of fees and other amounts paid by the  
12 business firm pursuant to the agreement with the county under ORS 285C.609  
13 in the immediately preceding calendar year;

14 (c) The average number of persons hired or employed by the business firm  
15 in association with the eligible project, determined by dividing the total  
16 number of hours for which such hired or employed persons were paid during  
17 the immediate prior calendar year by 2,080;

18 (d) The annual amount of taxable income and total compensation paid to  
19 employees as described in paragraph (c) of this subsection;

20 (e) Numbers and amounts as described in paragraphs (c) and (d) of this  
21 subsection for retained jobs and newly created jobs for the eligible project;  
22 and

23 (f) Any other information required by the department.

24 (3)(a) If a business firm fails to provide a report required under this sec-  
25 tion or to verify information as requested by the Oregon Business Develop-  
26 ment Department, the Oregon Business Development Commission, upon  
27 recommendation by the department, may suspend the determination of the  
28 commission that the project receive the tax exemption provided for in ORS  
29 307.123.

30 (b) If the commission suspends the determination of eligibility under this  
31 subsection, the exemption is revoked as provided in ORS 307.123 (7), until the

1 department receives the report.

2 (c) Upon receipt of a report required under this section or the information  
3 requested by the department, the department shall notify the commission and  
4 the commission shall rescind the suspension under this subsection.

5 *[(4) Information collected under this section may be used by the Oregon  
6 Business Development Department to make aggregate figures and analyses of  
7 activity under the strategic investment program publicly available.]*

8 [(5)] (4) Specific data concerning the financial performance of individual  
9 **business** firms collected under this section is exempt from public disclosure  
10 under ORS chapter 192.

11 [(6)] (5) After receiving the reports required under this section, the  
12 Oregon Business Development Department shall compile and organize the  
13 reported information for purposes of ORS 285C.635 and transmit it to the  
14 Oregon Department of Administrative Services. The Oregon Business Devel-  
15 opment Department shall transmit the information not later than April 15.

16 [(7)] (6) The Oregon Business Development Department shall adopt rules  
17 the department considers necessary to administer ORS 285C.600 to 285C.635.

18

19

## OPERATIVE DATE

20

21 **SECTION 20.** (1) Sections 1 to 4 and 8 of this 2020 Act and the  
22 amendments to ORS 279C.845, 285C.105, 285C.125, 285C.130, 285C.140,  
23 285C.145, 285C.150, 285C.403, 285C.409, 285C.415, 285C.609 and 285C.615 by  
24 sections 6 and 9 to 19 of this 2020 Act become operative on January 1,  
25 2021.

26 (2) Any person required to perform any action under sections 1 to  
27 4 and 8 of this 2020 Act and the amendments to ORS 279C.845, 285C.105,  
28 285C.125, 285C.130, 285C.140, 285C.145, 285C.150, 285C.403, 285C.409,  
29 285C.415, 285C.609 and 285C.615 by sections 6 and 9 to 19 of this 2020 Act  
30 may take any action before the operative date specified in subsection  
31 (1) of this section that is necessary to enable the person to comply

1 with the requirements on and after the operative date specified in  
2 subsection (1) of this section.

3

4

**UNIT CAPTIONS**

5

6 SECTION 21. The unit captions used in this 2020 Act are provided  
7 only for the convenience of the reader and do not become part of the  
8 statutory law of this state or express any legislative intent in the  
9 enactment of this 2020 Act.

10

11

**EFFECTIVE DATE**

12

13 SECTION 22. This 2020 Act takes effect on the 91st day after the  
14 date on which the 2020 regular session of the Eightieth Legislative  
15 Assembly adjourns sine die.

16

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