

SENATE AMENDMENTS TO A-ENGROSSED SENATE BILL 151

By COMMITTEE ON FINANCE AND REVENUE

May 18

1 On page 1 of the printed A-engrossed bill, line 2, after “provisions;” delete the rest of the line
2 and line 3 and insert “amending ORS 285C.150, 285C.160, 285C.175, 285C.255 and 285C.406; and pre-
3 scribing an effective date.”.

4 After line 4, insert:

5 **“SECTION 1. Section 2 of this 2007 Act is added to and made a part of ORS 285C.050 to**
6 **285C.250.**

7 **“SECTION 2. (1)(a) The governing body of a city, county or port that is seeking enter-**
8 **prise zone designation under ORS 285C.065 may elect to permit a qualified business firm de-**
9 **scribed in subsection (2) of this section to receive an extended period of exemption on**
10 **qualified property.**

11 **“(b) The election must be made on or after the date the governing body applies for zone**
12 **designation under ORS 285C.065 and no later than six months following the date the zone is**
13 **designated.**

14 **“(c) The election shall be made by a resolution adopted by the governing body of the city,**
15 **county or port. A resolution under this paragraph does not take effect until submitted to the**
16 **Economic and Community Development Department and acknowledged by the department.**

17 **“(d) The resolution shall contain the commitment of the city, county or port, as the**
18 **sponsor of the enterprise zone, to:**

19 **“(A) Confirm the fulfillment of criteria under subsection (2) of this section; and**

20 **“(B) Facilitate timely receipt and review of relevant documents, evidence and other in-**
21 **formation necessary to confirm the continued eligibility of the business firm for exemption.**

22 **“(e) The sponsor may revoke an election made under this subsection by resolution. If the**
23 **sponsor revokes an election under this subsection, the sponsor may not make another**
24 **election under this subsection.**

25 **“(2) An eligible business firm is a sustainable business firm if the business firm satisfies**
26 **all of the following:**

27 **“(a) Any qualified new building or addition to or modification of an existing building**
28 **owned or leased by the business firm must be certified for design, construction and utiliza-**
29 **tion by the Leadership in Energy and Environmental Design Green Building Rating System,**
30 **Earth Advantage or any program for building standards and practices that the department**
31 **determines provides comparable certification.**

32 **“(b) The operations of the business firm in the enterprise zone satisfy renewable portfolio**
33 **standards consistent with the standards required of an electric utility under ORS 757.600 to**
34 **757.687 in terms of the portion of energy, including but not limited to electricity, consumed**
35 **by the business firm that is derived from renewable energy sources.**

1 “(c) The business firm has developed and implemented an environmental management
2 system for the business firm’s activities and facilities in the enterprise zone. The environ-
3 mental management system must include plans for improving resource efficiency and for
4 minimizing or eliminating solid and hazardous waste and emissions of water and air
5 pollutants. The business firm shall develop the environmental management system based on
6 International Organization for Standardization standard ISO 14001 or another standard that
7 the department determines is comparable for minimizing the impact of industry on the en-
8 vironment.

9 “(d) The business firm uses and maintains a publicly available strategy and plan for re-
10 ducing greenhouse gas emissions and mitigating the contribution of the business firm to
11 global climate change.

12 “(e) The business firm publicly releases an annual sustainability report that has defined
13 measurements and benchmarks for evaluating progress on an annual basis. If feasible, the
14 business firm shall make the report available for review through the business firm’s website.

15 “**SECTION 3.** Notwithstanding section 2 (1)(b) of this 2007 Act, if an enterprise zone is
16 designated before the effective date of this 2007 Act, the sponsor of the enterprise zone may
17 elect to permit a qualified business firm described in section 2 (2) of this 2007 Act to receive
18 an extended period of exemption on qualified property. The sponsor may make an election
19 under this section on or before June 30, 2008. If an election under this section otherwise
20 complies with section 2 (1) of this 2007 Act, the election shall be considered an election under
21 section 2 (1) of this 2007 Act.

22 “**SECTION 4.** ORS 285C.150 is amended to read:

23 “285C.150. (1) The sponsor of an urban enterprise zone may require an eligible business firm
24 seeking authorization under ORS 285C.140 to satisfy other conditions in order for the firm to be
25 authorized.

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

29 “(3) The sponsor may establish procedures for monitoring and verifying compliance with condi-
30 tions imposed on the firm under this section and require the firm to agree to the procedures as a
31 condition to authorizing the firm.

32 “(4) Conditions established under this section may be imposed on a firm only if the sponsor has
33 adopted a policy that establishes standards for the imposition of the conditions.

34 “(5) Conditions imposed by a sponsor under this section shall be in addition to, and not in lieu
35 of, conditions and requirements imposed under ORS 285C.050 to 285C.250 or pursuant to an agree-
36 ment entered into under ORS 285C.160 and do not affect the duties of the Department of Revenue
37 or of the county assessor under ORS 285C.050 to 285C.250.

38 “**(6) Notwithstanding subsection (2) of this section, the sponsor may adjust conditions**
39 **imposed under this section as reasonably necessary for sustainable business firms under**
40 **section 2 of this 2007 Act.**

41 “[(6)] (7) A sponsor of an urban enterprise zone that imposes conditions for authorization on
42 eligible business firms under this section shall submit a written report every four years to the Leg-
43 islative Assembly concerning the application and effects of the conditions on business firms within
44 the enterprise zone.

45 “**SECTION 5.** ORS 285C.160 is amended to read:

1 “285C.160. (1) An eligible business firm seeking authorization under ORS 285C.140 and the
2 sponsor of the enterprise zone in which the firm intends to invest may enter into a written agree-
3 ment to extend the period during which the qualified property is exempt from taxation under ORS
4 285C.175 if the firm complies with the terms of the agreement.

5 “(2) The period for which the qualified property is to continue to be exempt must be set forth
6 in the agreement and may not exceed two additional tax years.

7 “(3) In order for an agreement under this section to extend the period of exemption, the agree-
8 ment must be executed on or before the date on which the firm is authorized, and:

9 “(a) If the enterprise zone is a rural enterprise zone or an urban enterprise zone located inside
10 a metropolitan statistical area of fewer than 400,000 residents, the agreement must require that the
11 firm meet both of the following:

12 “(A) Annually compensate all new employees hired by the firm at an average rate of not less
13 than 150 percent of the county average annual wage for each assessment year during the tax ex-
14 emption period, as determined at the time of authorization.

15 “(B) Any additional requirement that the sponsor may reasonably request.

16 “(b) If the enterprise zone is an urban enterprise zone located inside a metropolitan statistical
17 area of 400,000 residents or more, the agreement must require that the firm meet any additional
18 requirement the sponsor may reasonably require.

19 “(4) If a firm enters into an agreement under this section that includes a compensation re-
20 quirement under subsection (3)(a)(A) of this section and the firm subsequently submits one or more
21 statements of continued intent under ORS 285C.165, notwithstanding the terms of the agreement
22 made under this section, for each statement of continued intent submitted, the county average an-
23 nual wage under subsection (3)(a)(A) of this section shall be adjusted to a level that is current with
24 the statement.

25 “(5) **Notwithstanding subsections (1) to (4) of this section, the period during which the**
26 **qualified property is exempt from taxation under ORS 285C.175 is extended for two additional**
27 **years if:**

28 “(a) **The sponsor of the enterprise zone has elected under section 2 (1) of this 2007 Act**
29 **to extend the exemption period of sustainable business firms;**

30 “(b) **The eligible business firm submits documentation, evidence and any other informa-**
31 **tion required by the sponsor to show the firm’s commitment to and fulfillment of the criteria**
32 **provided in section 2 (2) of this 2007 Act; and**

33 “(c) **Based on the information supplied to the sponsor by the eligible business firm, the**
34 **sponsor confirms in writing to the assessor of the county where the property is located:**

35 “(A) **On or before the date on which the firm is authorized, that the firm reasonably in-**
36 **tends to satisfy the criteria of a sustainable business firm; and**

37 “(B) **On or before April 1 of the third tax year of exemption, that the firm has met the**
38 **criteria of a sustainable business firm. The sponsor may retract the written confirmation**
39 **required by this paragraph on or before April 1 of the third year of exemption, if the sponsor**
40 **determines that the firm has failed to maintain satisfaction of the criteria.**

41 “**SECTION 6.** ORS 285C.175 is amended to read:

42 “285C.175. (1) Property of an authorized business firm is exempt from ad valorem property tax-
43 ation if:

44 “(a) The property is qualified property under ORS 285C.180;

45 “(b) The firm meets the qualifications under ORS 285C.200; and

1 “(c) The firm has entered into a first-source hiring agreement under ORS 285C.215.

2 “(2)(a) The exemption allowed under this section applies to the first tax year for which, as of
3 January 1 preceding the tax year, the qualified property is in service. The exemption shall continue
4 for the next two succeeding tax years if the property continues to be owned or leased by the busi-
5 ness firm and located in the enterprise zone.

6 “(b) The property [*may be*] is exempt from property taxation under this section for up to two
7 additional tax years consecutively following the tax years described in paragraph (a) of this sub-
8 section, if authorized by the written agreement entered into by the firm and the sponsor **or as**
9 **otherwise allowed** under ORS 285C.160.

10 “(c) If qualified property of a qualified business firm is sold or leased to an eligible business firm
11 in the enterprise zone during the period the property is exempt under this section, the purchasing
12 or leasing firm is eligible to continue the exemption of the selling or leasing firm for the balance
13 of the exemption period, but only if any effects on employment within the zone that result from the
14 sale or lease do not constitute substantial curtailment under ORS 285C.210.

15 “(3)(a) The exemption allowed under this section shall be 100 percent of the assessed value of
16 the qualified property in each of the tax years for which the exemption is available.

17 “(b) Notwithstanding paragraph (a) of this subsection:

18 “(A) If the qualified property is an addition to or modification of an existing building or struc-
19 ture, the exemption shall be measured by the increase in value, if any, attributable to the addition
20 or modification.

21 “(B) If the qualified property is an item of reconditioned, refurbished, retrofitted or upgraded
22 real property machinery or equipment, the exemption shall be measured by the increase in the value
23 of the item that is attributable to the reconditioning, refurbishment, retrofitting or upgrade.

24 “(4)(a) An exemption may not be granted under this section for qualified property assessed for
25 property tax purposes in the county in which the property is located on or before the effective date
26 of the:

27 “(A) Designation of the zone; or

28 “(B) Approval of a boundary change for the zone if the property is located in an area added to
29 the zone.

30 “(b) An exemption may not be granted for qualified property constructed, added, modified or
31 installed in the zone or in the process of construction, addition, modification or installation in the
32 zone on or before the effective date of the:

33 “(A) Designation of the zone; or

34 “(B) Approval of a boundary change for the zone if the property is located in an area added to
35 the zone.

36 “(c) An exemption may not be granted for any qualified property that was in service within the
37 zone for more than 12 months by January 1 of the first assessment year for which an exemption
38 claim is made.

39 “(d) An exemption may not be granted for any qualified property unless the property is in use
40 or occupancy before July 1 of the year immediately following the year during which the completion
41 of the construction, addition, modification or installation occurred.

42 “(e) Except as provided in ORS 285C.245, an exemption may not be granted for qualified prop-
43 erty constructed, added, modified or installed after termination of an enterprise zone.

44 “(5) Property is not required to have been exempt under ORS 285C.170 in order to be exempt
45 under this section.

1 “(6) The county assessor shall notify the business firm in writing whenever property is denied
2 an exemption under this section. The denial of exemption may be appealed to the Oregon Tax Court
3 under ORS 305.404 to 305.560.

4 “(7) For each tax year that the property is exempt from taxation, the assessor shall:

5 “(a) Enter on the assessment roll, as a notation, the assessed value of the property as if it were
6 not exempt under this section.

7 “(b) Enter on the assessment roll, as a notation, the amount of additional taxes that would be
8 due if the property were not exempt.

9 “(c) Indicate on the assessment roll that the property is exempt and is subject to potential ad-
10 ditional taxes as provided in ORS 285C.240, by adding the notation ‘enterprise zone exemption (po-
11 tential additional tax).’

12 “**SECTION 7. Sections 2 and 3 of this 2007 Act and the amendments to ORS 285C.150,**
13 **285C.160 and 285C.175 by sections 4 to 6 of this 2007 Act apply to exemptions on qualified**
14 **property for which the eligible business firm’s application for authorization under ORS**
15 **285C.140 is made on or after the effective date of this 2007 Act and the effective date of**
16 **election by the sponsor of the enterprise zone under section 2 of this 2007 Act.”.**

17 In line 5, delete “1” and insert “8”.

18 In line 18, delete “2” and insert “9”.

19 In line 26, delete “3” and insert “10”.

20 On page 2, after line 16, insert:

21 “**SECTION 11. This 2007 Act takes effect on the 91st day after the date on which the**
22 **regular session of the Seventy-fourth Legislative Assembly adjourns sine die.”.**