

## HB 2343 B -4 STAFF MEASURE SUMMARY

### Senate Committee On Finance and Revenue

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**Prepared By:** Jaime McGovern, Economist

**Meeting Dates:** 6/9, 6/14

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#### **WHAT THE MEASURE DOES:**

Permits governing body of a Enterprise Zone sponsor to adopt a resolution to suspend employment obligations of participating firm due to pandemic impacts. Provides that qualifying business may continue to receive exemption if failure to meet qualifications results from pandemic and state of emergency declared on March 8, 2020 if resolution with alternative requirements is adopted by governing body. Mandates reporting requirements. Provides for refunds of taxes already collected for non-compliance of Enterprise Zone requirements during this period. Provides resolution may not be adopted after 45 days following effective date of Act. Authorizes governing body of enterprise zone sponsor to allow exemption for property tax years beginning on July 1, 2021, and July 1, 2022. Specifies conditions under which exemptions apply.

#### **ISSUES DISCUSSED:**

- Pandemic effects on employment.
- Various local options in bill.
- Obligations of employers.
- Financial and employment recovery time.

#### **EFFECT OF AMENDMENT:**

-4 Changes application of adopted property tax suspension from property tax years 2021-22 and 2022-23 to assessment years 2020 and 2021.

#### **BACKGROUND:**

Any city, county or port may designate an area within the city, county or port as an enterprise zone by joint resolution and subject to approval by Oregon Business Development Department (OBDD aka Business Oregon). Under ORS 285C.135 and 285C.200, qualified property (not including land) owned or leased and newly placed into service by a qualified business firm in an enterprise zone is fully exempt from property tax for three to five consecutive years. The property tax exemption may apply to new and growing businesses, and the requirements for qualification can include conditions on timing, local hiring, increases in hiring, and business operations.