

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
81st Oregon Legislative Assembly
2021 Regular Session
Legislative Revenue Office

Bill Number:	HB 2343 - C
Revenue Area:	Property Tax
Economist:	Jaime McGovern
Date:	06/17/2021

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Authorizes governing body of enterprise zone sponsor to adopt resolution suspending enterprise zone employment requirements otherwise imposed on authorized business firms for assessment years beginning January 1, 2020, or January 1, 2021. 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.

Revenue Impact:

There is no direct revenue impact as this measure is permissive.

Impact Explanation:

This bill provides local control and authority over whether to adopt a resolution that would temporarily waive Enterprise Zone requirements, while still permitting property tax exemptions. The bill specifies mandatory components of potential resolution and reporting requirements. Because the bill is permissive, it is unknown how many governing bodies of zone sponsors will adopt such measures and how many businesses could potentially be affected.

If such a resolution were adopted, local governments may collect lower property tax revenue than they otherwise would have. However, since these Enterprise Zones already exist, and property tax exemptions already exist for these businesses, this would not necessarily constitute a reduction of property tax revenue from the status quo.

For context, according to the most recent Tax Expenditure Report 2.013, the current reduction property tax revenue per biennium is approximately \$125 million, with an additional shift of \$27 million.

Creates, Extends, or Expands Tax Expenditure: Yes No