

C-Engrossed House Bill 2343

Ordered by the Senate June 21
Including House Amendments dated April 13 and May 25 and Senate
Amendments dated June 21

Sponsored by Representatives BONHAM, LIVELY, Senator FINDLEY; Representatives BOSHART DAVIS, DRAZAN, HAYDEN, KROPF, LEVY, MORGAN, NOBLE, RESCHKE (Presession filed.)

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.

Authorizes governing body of enterprise zone sponsor to adopt resolution suspending enterprise zone employment requirements otherwise imposed on authorized business firms for either or both of property tax years beginning on July 1, 2021, and July 1, 2022. Requires resolution to establish direct relationship between factors showing financial distress of business firm and COVID-19 pandemic. Provides resolution may not be adopted after later of June 30 immediately preceding applicable property tax year or 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, to qualified property of authorized business firm that otherwise does not meet certain requirements during declared public health emergency.

Authorizes refunds without interest of all or any part of payments collected with respect to disqualification in certain circumstances, and based on property taxes that would otherwise have been due for *[property tax]* **assessment** years beginning on *[July 1, 2021, or July 1, 2022]* **January 1, 2020, or January 1, 2021**, with respect to qualified property subject to either grant of authority.

Sunsets both grants of authority on date that is one year following end of declared public health emergency.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to local government authority to suspend enterprise zone employment requirements; and
3 prescribing an effective date.

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

5 **SECTION 1. Sections 2 to 4 of this 2021 Act are added to and made a part of ORS 285C.050**
6 **to 285C.250.**

7 **SECTION 2. (1)(a) Notwithstanding ORS 285C.203 (1)(a), the governing body of a sponsor**
8 **may adopt a resolution to suspend, as provided in ORS 285C.203, the obligation of a qualified**
9 **business firm to meet the employment requirements of ORS 285C.200 if the reduced employ-**
10 **ment or financial distress of the firm is a result of the COVID-19 pandemic for which the**
11 **Governor declared a state of emergency on March 8, 2020.**

12 **(b) A resolution may be adopted pursuant to this subsection under any procedures or**
13 **authority permitted under state and local law applicable in a declared public health emer-**
14 **gency.**

15 **(c) A resolution adopted pursuant to this subsection must set forth criteria for estab-**
16 **lishing that the COVID-19 pandemic prevented the qualified business firm from meeting the**
17 **employment requirements of ORS 285C.200, including:**

18 **(A) Compliance with mandatory public health safety measures or closures;**

19 **(B) Mandatory limitations on facility capacity;**

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 (C) A decrease in receipts;
- 2 (D) A reduction in sales;
- 3 (E) Disruption of the firm's access to markets or supply chains; or
- 4 (F) Other factors attributable to the COVID-19 pandemic.

5 (d) A resolution adopted pursuant to this subsection is not subject to the alternative
6 deadline in ORS 285C.203 (3)(a)(B).

7 (2)(a) The resolution described in subsection (1) of this section is not effective unless
8 adopted by the governing body of the enterprise zone on or before the later of June 30 im-
9 mediately preceding the property tax year for which suspension is sought or 45 days following
10 the effective date of this 2021 Act.

11 (b) The resolution may provide that the suspension applies to either or both of the
12 property tax years beginning on July 1, 2021, and July 1, 2022.

13 (3) A resolution for suspension adopted pursuant to this section has the following effects:

14 (a) Tolling the deadline for claiming exemption for additional property under ORS
15 285C.225 (3)(b) until after the period of suspension has ended, if so provided in the resolution.

16 (b) Converting the denial under ORS 285C.175 of an exemption on qualified property that
17 would otherwise have begun on July 1, 2021, into a one-year period of suspension beginning
18 on that date.

19 (4) Any curtailment of operations that is permitted under a resolution adopted pursuant
20 to this section is not subject to ORS 285C.240 (1)(b).

21 **SECTION 3.** (1) The qualified property of an authorized business firm may be granted an
22 exemption, or continuation of an exemption, under ORS 285C.175 notwithstanding the fact
23 that the firm does not meet the qualifications under ORS 285C.200 (1)(c), (d) or (e) or (2) if
24 the failure of the firm to meet the qualifications is a result of the COVID-19 pandemic for
25 which the Governor declared a state of emergency on March 8, 2020, and:

26 (a) The governing body of the sponsor adopts a resolution, on or before the later of June
27 30 immediately preceding the property tax year for which exemption is sought or 45 days
28 following the effective date of this 2021 Act, that sets forth:

29 (A) Procedures for allowing the sponsor to grant the exemption;

30 (B) Standards for establishing a minimum number of employees of an authorized business
31 firm; and

32 (C) Criteria for establishing that the COVID-19 pandemic prevented the authorized busi-
33 ness firm from meeting the qualifications under ORS 285C.200 (1)(c), (d) or (e) or (2), in-
34 cluding:

35 (i) Compliance with mandatory public health safety measures or closures;

36 (ii) Mandatory limitations on facility capacity;

37 (iii) A decrease in receipts;

38 (iv) A reduction in sales;

39 (v) Disruption of the firm's access to markets or supply chains; or

40 (vi) Other factors attributable to the COVID-19 pandemic;

41 (b) A copy of the resolution is provided to the county assessor, the Department of Re-
42 venue and the Oregon Business Development Department within 30 days following the
43 adoption of the resolution;

44 (c) Within 30 days following the date on which the sponsor grants the exemption, the
45 sponsor provides the county assessor with written notice that the exemption has been

1 granted; and

2 (d) The authorized business firm satisfies the requirements established under the resol-
3 ution adopted pursuant to this subsection and any otherwise applicable requirements under
4 ORS 285C.050 to 285C.250, including, but not limited to, filing a claim that contains employ-
5 ment data for purposes of ORS 285C.220.

6 (2) A resolution may be adopted pursuant to subsection (1) of this section under any
7 procedures or authority permitted under state and local law applicable in a declared public
8 health emergency.

9 (3) A resolution adopted pursuant to subsection (1) of this section may grant an ex-
10 emption, or continuation of an exemption, for property tax years beginning on or after July
11 1, 2021, and before July 1, 2023.

12 (4) Failure of an authorized business firm to meet any requirement adopted pursuant to
13 subsection (1) of this section shall be subject to the notice requirements and disqualification
14 of the authorized business firm's qualified property under ORS 285C.240, unless the firm
15 satisfies the requirements of ORS 285C.200 without the exceptions allowed under subsection
16 (1) of this section.

17 (5) Any curtailment of operations that is permitted under a resolution adopted pursuant
18 to this section is not subject to ORS 285C.240 (1)(b).

19 (6) A county assessor is not obligated to verify compliance of an authorized business firm
20 with any requirement imposed on the firm by a sponsor pursuant to this section.

21 (7) The governing body of a sponsor that adopts a resolution pursuant to subsection (1)
22 of this section shall submit a written report to the Oregon Business Development Depart-
23 ment detailing the implementation of the resolution.

24 **SECTION 4.** (1) This section applies to:

25 (a) A qualified business firm to which a resolution to suspend adopted pursuant to section
26 2 of this 2021 Act applies; and

27 (b) An authorized business firm whose qualified property is exempt under a resolution
28 adopted pursuant to section 3 of this 2021 Act.

29 (2)(a) Notwithstanding ORS 285C.240 (6)(b), the sponsor that adopted the applicable re-
30 solution and that collected from the business firm under ORS 285C.240 (6)(a) an amount equal
31 to the property taxes for qualified property of the business firm that would otherwise have
32 been due for the assessment years beginning on January 1, 2020, or January 1, 2021, may
33 refund to the business firm, without interest, all or any part of the amount so collected.

34 (b) The notice given by the business firm to the county assessor under ORS 285C.240 (1)
35 with respect to paragraph (a) of this subsection shall not count as the first notice given by
36 the business firm for purposes of ORS 285C.240 (6)(c).

37 **SECTION 5.** Sections 2 and 3 of this 2021 Act are repealed on the date that is one year
38 following the date on which the declaration of a state of emergency issued by the Governor
39 on March 8, 2020, and any extension of the declaration, is no longer in effect.

40 **SECTION 6.** This 2021 Act takes effect on the 91st day after the date on which the 2021
41 regular session of the Eighty-first Legislative Assembly adjourns sine die.

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