

HOUSE AMENDMENTS TO HOUSE BILL 4042

By COMMITTEE ON ECONOMIC DEVELOPMENT AND SMALL BUSINESS

February 16

1 On page 1 of the printed bill, line 2, delete “and 285C.050” and insert “, 285C.100 and
2 285C.185”.

3 On page 9, delete lines 14 through 45.

4 Delete pages 10 and 11 and insert:

5 “**SECTION 15.** ORS 285C.100 is amended to read:

6 “285C.100. (1) Notwithstanding ORS 285C.095, a city shall be designated for electronic commerce
7 if the city:

8 “(a) By resolution of the governing body of the city, declares itself a city designated for elec-
9 tronic commerce;

10 “(b) As of January 1, 2002, has a population of more than 1,500 but less than 2,000;

11 “(c) Is located less than 25 miles from a city with a population of more than 500,000; and

12 “(d) Is located less than 10 miles from a city with a high concentration of high technology firms
13 and with a population that, as of January 1, 2002, does not exceed 85,000.

14 “(2) Only one city may be designated for electronic commerce under this section, and that des-
15 igation shall be made without consideration of the numeric limits imposed by ORS 285C.095.

16 “(3)(a) A city does not need to sponsor an enterprise zone to be designated for electronic com-
17 merce under this section.

18 “(b) The governing body of a city designated for electronic commerce under this section does
19 not need to comply with the requirements of ORS 285C.067 or 285C.090, but the governing body must
20 take all actions that are required of a sponsor of a rural enterprise zone under ORS 285C.050 to
21 285C.250 with respect to business firms seeking exemption under ORS 285C.175.

22 “(c) A business firm that is engaged in electronic commerce **or semiconductor-related devel-**
23 **opment activities** at a location inside a city designated for electronic commerce under this section
24 and that seeks an exemption under ORS 285C.175 must take all actions required of a qualified
25 business firm under ORS 285C.050 to 285C.250, except that the business firm does not need to be
26 located within an enterprise zone.

27 “(d) A business firm described in paragraph (c) of this subsection:

28 “(A) Shall be an eligible business firm, the qualified property of which is exempt from taxation
29 under ORS 285C.175 as if the qualified property were located in an enterprise zone under ORS
30 285C.095, **or if the qualified property is used in semiconductor-related development**
31 **activities;** and

32 “(B) May claim the tax credit under ORS 315.507.

33 “(4) Designation of a city for electronic commerce under this section is not final until a positive
34 determination in favor of the city has been made by the Oregon Business Development Department
35 under ORS 285C.102.

1 “(5) For the purpose of determining the boundaries of a city designated for electronic commerce,
2 ‘city’ includes:

3 “(a) Territory that is annexed into the city, as of the date of the annexation;

4 “(b) Land within the urban growth boundary of the city; and

5 “(c) Territory that is added to the urban growth boundary described in paragraph (b) of this
6 subsection, as of the date the urban growth boundary is extended to such territory.

7 “**SECTION 16.** ORS 285C.185 is amended to read:

8 “285C.185. (1) In order for property to be qualified property under ORS 285C.180, the property
9 must cost:

10 “(a) \$50,000 or more, in the case of:

11 “(A) All real property that is concurrently exempt at the location; or

12 “(B) An item of personal property that is not described in paragraph (b) of this subsection.

13 “(b) \$1,000 or more, in the case of an item of personal property that is used:

14 “(A) Exclusively in the production of tangible goods; [or]

15 “(B) In electronic commerce in an enterprise zone approved for electronic commerce designation
16 under ORS 285C.095; **or**

17 “**(C) In semiconductor-related development activities in a city designated for electronic**
18 **commerce.**

19 “(2) The estimated cost of property set forth in an application for authorization under ORS
20 285C.140 shall be disregarded for purposes of determining if property is qualified property.

21 “(3) Property that is leased by the authorized business firm may be qualified property under ORS
22 285C.180 only if the terms of the lease provide:

23 “(a) During the term of the lease, that the authorized business firm is to compensate the owner
24 of the leased property for all property taxes assessed against the leased property or that the firm
25 is to pay these taxes; and

26 “(b) That the term of the lease begins on or before the start of the first tax year for which the
27 property is exempt and ends on or after the last day of the last tax year for which the property is
28 exempt.

29 “(4) In order for property that is owned or leased by an authorized business firm operating a
30 hotel, motel or destination resort to be qualified property under ORS 285C.180, the property must
31 be:

32 “(a) Located and in service in an enterprise zone of a sponsor or in the jurisdiction of a re-
33 stricted city or county cosponsor that has elected under ORS 285C.070 to treat a business firm en-
34 gaged in hotel, motel or destination resort operations as an eligible business firm;

35 “(b) Located at the same site as the hotel, motel or destination resort or in close proximity to
36 that site; and

37 “(c) Used primarily to serve overnight guests of the hotel, motel or destination resort. Property
38 is used primarily to serve overnight guests if at least 50 percent of any receipts from use of the
39 property are paid by overnight guests.

40 “(5) In order for property owned or leased and operated by a business firm engaged in electronic
41 commerce [*in*] **or in semiconductor-related development activities inside** a city designated for
42 electronic commerce under ORS 285C.100 to be qualified property, the property otherwise qualified
43 under this section and the applicable electronic commerce operations **or semiconductor-related**
44 **development activities** of the firm must be located in that city.

45 “(6)(a) As used in this section, ‘item of personal property’ includes an integrated system con-

1 sisting of various components.

2 “(b) Consistent with paragraph (a) of this subsection, the Department of Revenue may by rule
3 further define what constitutes an item of personal property for purposes of this section.

4 **“SECTION 17. The amendments to ORS 285C.100 and 285C.185 by sections 15 and 16 of
5 this 2024 Act apply to property tax years beginning on or after July 1, 2025.**

6 **“SECTION 18. The section captions used in this 2024 Act are provided only for the con-
7 venience of the reader and do not become part of the statutory law of this state or express
8 any legislative intent in the enactment of this 2024 Act.**

9 **“SECTION 19. This 2024 Act takes effect on the 91st day after the date on which the 2024
10 regular session of the Eighty-second Legislative Assembly adjourns sine die.”.**

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