

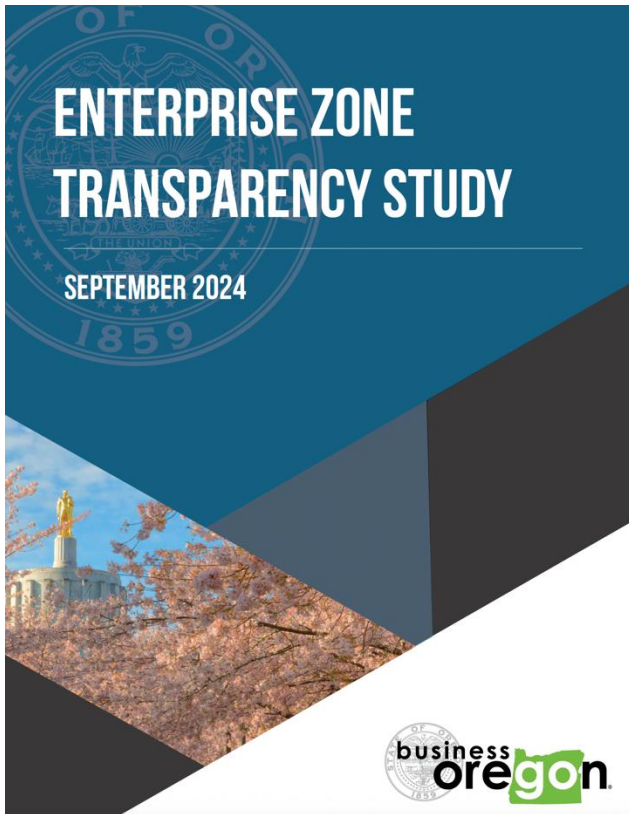
Enterprise Zone Transparency Study

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HOUSE COMMITTEE ON REVENUE

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Study purpose

House Bill 2009, passed in 2023, required a study to:

- Compare actual and statutorily required transparency for enterprise zone (EZ) agreements
- Consider information that should be included in public reports to enable evaluation of outcomes

Business Oregon, in consultation with the Legislative Revenue Office, was directed to conduct the study.

Smart Incentives, under contract with Business Oregon, completed the study in September 2024.

Context for studying EZ transparency

The standard enterprise zone (SEZ) and long-term rural enterprise zone (LRZ) programs are governed by different program rules.

The EZ statute builds in flexibility to allow for local variation.

Agreements refer to written LRZ agreements and extended 4-5 year SEZ agreements between a zone sponsor and business firm.

Business Oregon and the Department of Revenue share administrative responsibility for EZs.

Oregon's Open Data Portal is a primary source for EZ outcome data but is not the only state or local EZ transparency resource.

Findings - Agreements

The actual transparency of individual SEZ and LRZ agreements have exceeded statutory requirements, but these requirements were limited prior to HB 2009.

Two differences in actual agreement transparency across EZs are:

- the process by which agreements are executed with a business, which is decided by the local governments that sponsor the zone
- the process through which additional local conditions may be imposed on the business

The main difference in actual transparency between SEZ and LRZ agreements is that the LRZ abatement agreements require a local government resolution.

Findings - Outcomes


Substantial outcome information for SEZs is available on the Open Data Portal.

Significantly less information is available for LRZs, though the current reporting complies with the LRZ statute.

Stakeholders indicated a desire for more plain language summary reports to understand outcomes.

- Less interest in more data points via resources like the Open Data Portal
- Many state and local resources provide data about EZ activity, but there is no place where people can see all the pieces of the puzzle to understand performance

SEZ information on the Open Data Portal



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Part A – Enterprise Zone Business Projects - 2023 Exemptions on Qualified Property


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Reporting Year	Property Tax Y...	Name of Qualifi...	Oregon County	Enterprise Zon...	Exemption Peri...	Year(s) Exempt...	Approximate C...	Assessed Valu...	Property Taxes...	New Jobs of Fi...	Firm's Total Nu...	Notes for Job ...
2023	2022–2023	Forbidden Fruit Cide	Benton	Benton/Corvallis	3	2020	\$699,000	\$355,683	\$5,358	39	-	Reported in Part B o
2023	2022–2023	Forbidden Fruit Cide	Benton	Benton/Corvallis	3	2020	\$476,000	\$366,353	\$5,547	4	4	
2023	2022–2023	Forbidden Fruit Cide	Benton	Benton/Corvallis	3	2022	\$3,177,000	\$3,177,039	\$48,108	7	50	
2023	2022–2023	Locke Enterprises	Clackamas	Estacada	3	2021	\$650,000	\$457,660	\$7,241	2	2	
2023	2022–2023	Supera LLC	Clackamas	Estacada	3	2022	\$2,568,000	\$515,939	\$8,163	10	10	
2023	2022–2023	Coorstek Medical LL	Clackamas	Molalla	3	2022	\$3,313,000	\$2,961,500	\$49,407	54	87	
2023	2022–2023	Pacific Fibre Produc	Clackamas	Molalla	5	2018	\$3,147,000	\$2,685,788	\$44,807	11	-	Reported in Part B o
2023	2022–2023	Pacific Fibre Produc	Clackamas	Molalla	3	2022	\$711,000	\$176,915	\$2,951	6	24	
2023	2022–2023	Assured Dental Lab	Clackamas	North Urban Clackar	3	2020 2021	\$128,000	\$36,327	\$779	24	40	
2023	2022–2023	Bridgewell Agribusin	Clackamas	North Urban Clackar	3	2020	\$883,000	\$683,394	\$12,476	33	69	
2023	2022–2023	C&S Wholesale Groc	Clackamas	North Urban Clackar	3	2022	\$1,446,000	\$600,850	\$10,969	-	-	Reported in Part B o
2023	2022–2023	Consolidated Metco	Clackamas	North Urban Clackar	3	2020 2021	\$5,842,000	\$6,270,402	\$114,476	10	79	
2023	2022–2023	Conveyco Mfg. Corp	Clackamas	North Urban Clackar	3	2021 2022	\$3,952,000	\$1,371,119	\$25,032	15	61	

1 to 50 of 279

Columns

LRZ information on the Open Data Portal



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Long-Term Rural (LTR) Enterprise Zone EZ - Facilities Reports

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Year	Clatsop Co.	Crook Co.	Douglas Co.	Klamath Co.	Morrow Co.	Umatilla Co.	Wasco Co.	Link to Composite Report	Notes
2023	x	x	x	x	x	x	x	https://data.oregon.gov/api/views/re77-krua/files	See attachments for a copy of these reports.
2022	x	x	x		x	x	x	https://data.oregon.gov/api/views/re77-krua/files	See attachments for a copy of these reports.
2021		x			x	x	x	https://data.oregon.gov/api/views/re77-krua/files	See attachments for a copy of these reports.
2020		x	x		x		x	https://data.oregon.gov/api/views/re77-krua/files	See attachments for a copy of these reports.
2019		x	x		x		x	https://data.oregon.gov/api/views/re77-krua/files	See attachments for a copy of these reports.
2018		x	x		x		x	https://data.oregon.gov/api/views/re77-krua/files	See attachments for a copy of these reports.
2017		x	x		x		x	https://data.oregon.gov/api/views/re77-krua/files	See attachments for a copy of these reports.
2016		x	x		x		x	https://data.oregon.gov/api/views/re77-krua/files	See attachments for a copy of these reports.

Transparency for EZ activity and outcomes

State Resources	Local Resources
<p>Open Data Portal</p> <p>Biennial Tax Expenditure Reports</p> <p>Oregon Transparency website (links to other sources)</p> <p>Business Oregon website (transparency reporting link on EZ landing page)</p> <p>Business Oregon incentives reports (multiple on EZs)</p> <p>DOR Property Tax Statistics</p>	<p>County property tax reports (SAL)</p> <p>GASB 77 statements</p> <p>Local zone or economic development reports, presentations, meetings (not formalized EZ reporting)</p> <p>Urban EZ reports to Oregon Legislature (every 4 years)</p>

Source: Enterprise Zone Transparency Study, figure 6, p. 14.

Three options to enhance EZ transparency



Improve LRZ transparency by posting agreements and providing more project data on the Open Data Portal



Establish a schedule for issuing summary reports or evaluations of EZ use and outcomes



Clarify Department of Revenue and Business Oregon roles and responsibilities with respect to transparency

Business Oregon has taken the lead on transparency in practice

Allow relevant property tax information to be disclosed to Business Oregon by DOR for transparency and evaluation purposes

Streamline the data reporting process to ease reporting burden while improving data quality and consistency

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