ENTERPRISE ZONE TRANSPARENCY STUDY

SEPTEMBER 2024

business oregon

I. Executive Summary

House Bill (HB) 2009, passed in 2023, called for a study of the transparency of enterprise zone programs by the Oregon Business Development Department (Business Oregon). This Oregon Enterprise Zone (EZ) Transparency Study examines actual and statutorily required transparency for agreements associated with Oregon's standard enterprise zone (SEZ) and long-term rural enterprise zone (LRZ) programs. It also considers information that should be included in reports to enable evaluation of outcomes.

Oregon's enterprise zones have been operating since the 1980s. Existing transparency resources include the Oregon Open Data Portal, Department of Revenue (DOR) Tax Expenditure Report, Business Oregon EZ and incentive report web pages, and county assessor reports. US PIRG and Good Jobs First (GJF) have found that Oregon has performed relatively well in their state rankings for incentive transparency In March 2024 GJF described Oregon's SEZ reporting as "modeling great transparency around economic development incentives." That said, stakeholders remain interested in ongoing program and transparency improvement, one component of which is the preparation of the Oregon EZ Transparency Study.

Summary answers to study requirements specified in HB 2009 regarding the transparency of agreements across EZs are:

- The actual transparency of individual extended SEZ and LRZ agreements have exceeded statutory requirements, but these requirements were quite limited prior to HB 2009.
- The EZ statute builds in flexibility to allow for local variation. Two notable differences in actual agreement transparency across EZs are the process through which agreements are executed with a business, which is decided by the local governments that sponsor the zone, and the process through which additional local conditions may be imposed on the business. Additional local conditions often generate community benefits, such as payments to the community or by encouraging local hiring and purchasing. Most zone sponsors may negotiate additional conditions for extended SEZ or LRZ agreements at their discretion with no formal policy. Urban enterprise zones must list additional conditions in a standardized format and have a formally documented policy if imposing conditions on tax abatement periods of any length, including just three years.
- The major difference in actual transparency between SEZ and LRZ agreements is that the law for LRZ abatements requires a local government resolution, and consequentially, in practice, the agreement can typically be found online as part of public procedures and documentation in adopting the resolution. SEZs do not have that requirement for extended agreements, though it similarly occurs oftentimes as a matter of local practice.

Substantial outcome information for SEZs is available on the Open Data Portal. There is significantly less information about LRZ outcomes due to different reporting provisions for businesses and local officials in statute. The lack of quality data on LRZ outcomes, especially jobs and investment, is a weakness in Oregon's otherwise strong enterprise zone transparency practices. LRZ outcome information could be expanded to become more like SEZ reporting.

Beyond that, instead of more data points for the Open Data Portal, plain-language summary reports might help policymakers, stakeholders, and residents better understand the benefits that are generated relative to the cost of the tax abatement. While there are many state and local resources providing data about EZ activity, there is no resource where people can "see all the pieces of the puzzle."

Neither Business Oregon nor the Oregon Department of Revenue (DOR) is a party to EZ agreements, but both have administrative duties for EZs. The statutes do not indicate individual departmental roles and responsibilities regarding transparency. In 2016, the Secretary of State Audit, *Evaluation and Transparency of Incentives and Loans,* found that data confidentiality concerns and unclear lines of responsibility for transparency across the state and local agencies engaged in EZ administration hinder data collection and disclosure. The same is true today. Business Oregon has taken the lead on EZ transparency reporting, but the same issues between DOR and Business Oregon continue to affect enterprise zone transparency.

Options for consideration to enhance EZ transparency and improve the usefulness of the EZ information that is provided include:

1. Improve LRZ transparency by posting agreements and providing more project data on the Open Data Portal.
2. Establish a schedule for issuing summary reports or evaluations of EZ use and outcomes.
3. Clarify Department of Revenue (DOR) and Business Oregon roles and responsibilities.

Members of the Legislative Assembly may obtain a hard copy of this report by contacting Business Oregon, or it is available online for anyone in the Reports, Publications and Plans section of the Business Oregon website—see Business Oregon : Incentives Reports : Reports, Publications, and Plans : State of Oregon—specifically, Enterprise Zone Transparency Study, by Smart Incentives, September 2024.

II. Introduction

The Oregon Enterprise Zone (EZ) Transparency Study examines actual and statutorily required transparency for agreements associated with Oregon's standard enterprise zones (SEZ) and long-term rural enterprise zones (LRZ). It also considers information that should be included in reports to enable evaluation of outcomes.

The study, as required by House Bill (HB) 2009, passed in 2023, has been prepared by Smart Incentives under contract with the Oregon Business Development Department (Business Oregon).

II.A. Study Purpose and Approach

Section 21 of HB 2009 directs the Business Oregon, in consultation with the Legislative Revenue Office (LRO), to conduct a study of the transparency of enterprise zone programs. The study objectives are to 1) compare actual transparency and statutorily required transparency for agreements associated with Oregon's standard enterprise zone program (SEZ) and long-term rural enterprise zone program (LRZ); and 2) study information that should be included in public reports of tax expenditures connected to economic development to enable evaluation of outcomes.

The study accomplishes those objectives by assessing statutory roles and procedures that enable transparency for SEZs and LRZs along with operational realities among state agencies and local organizations involved in administering the enterprise zone program. Research for this study included review of a set of agreements shared with the contractor by Business Oregon, but the study does not provide a comprehensive analysis of all agreements or outcome data for all years for the entire state. Specific tasks included:

- Development of a project workplan in consultation with Business Oregon and LRO;
- Analysis of forms, procedural frameworks and statutes, especially those related to Oregon's enterprise zones, the Oregon Transparency Website and Open Data Portal, property taxes, public records and data confidentiality;
- Interviews with county assessors, business firms, local leaders, zone managers, advocacy organizations, state agencies and legislators;
- Research on incentive transparency practices in other states; and
- Project updates to Business Oregon and LRO.

Appendix A contains the text of section 21 of HB 2009 and a list of written materials and resources consulted. Appendix B lists the names of individuals interviewed for this project. Appendix C describes Best Practices and Other State Transparency Efforts, which was also an interim deliverable for this study. Staff at Business Oregon and LRO who were regularly consulted through this project are listed and thanked in the Acknowledgments.

This study attempts to address the elements of enterprise zone transparency raised in HB 2009 as directly as possible. It is neither a program evaluation nor a compliance audit. The study does not attempt to answer every question that might be raised about overall enterprise zone policies and practices. Instead, it focuses on the issue of transparency within Oregon's enterprise zone policies and practices in the hopes of providing clear answers to the questions raised in HB 2009 and the request for proposals issued by Business Oregon for undertaking the study.

That said, it was clear from the beginning that many people have many questions about how enterprise zones work and concern about the information that is available to those seeking to understand program activities and outcomes. This study also strives to provide overall context and to answer some of the frequently asked questions about transparency.

II.B. Transparency Changes in HB 2009 and Effect on this Study

In addition to requiring a study of transparency in enterprise zones, HB 2009 makes other changes to Oregon's enterprise zones, several of which have implications for transparency.

- Section 16 (ORS 285C.163) requires SEZ agreements to be posted on the zone sponsor's website for 21 days prior to the agreement becoming effective, but the firm name and any proprietary information may not be made public.
- Section 18 (ORS 285C.407) requires LRZ agreements to be posted on the zone sponsor's website for 21 days prior to the agreement becoming effective, but the firm name and any proprietary information may not be made public.
- Section 19 amended ORS 276A.256 pertaining to the Oregon Transparency Website to include reference to LRZ property tax exemptions. SEZ exemptions were already listed.
- Section 24 (ORS 285C.142) requires zone sponsors to notify other local governments about SEZ agreements that may increase infrastructure use in their jurisdictions.
- Section 26 (ORS 285C.404) requires zone sponsors to notify other local governments about LRZ agreements that may increase infrastructure use in their jurisdictions.
- Section 45(1)(b) requires the governing bodies of SEZs and school districts with territory in the enterprise zone to set a rate for a school support fee of 15–30% of the exemption granted for the additional two years provided in extended SEZ agreements. Section 48 states that the zone sponsor shall provide necessary information to the school district to collect the fee and that the school district then collects the fee from the business firm.
- Section 49(4) requires written LRZ agreements to include a school support fee of 15–30% of the exemption granted after the fifth year. Again, the zone sponsor must provide necessary information to the school district to collect the fee from the business firm.

Since these new laws have only recently taken effect, there has not been sufficient time or information available during the study period to compare actual transparency to the new set of statutory requirements. Therefore, this study has attempted to use the most recent information and documentation in effect in 2023 before HB 2009 was enacted. Some questions regarding how these changes will affect transparency going forward are addressed in section V, Other Transparency Questions, of this report.

III. Context for Enterprise Zone Transparency in Oregon

III.A. State Statutes Affecting Transparency

Multiple state statutes affect enterprise zone transparency. Some statutory language establishes what information should be transparent (considered a public record), while other statutory language defines public records that should or may not be disclosed. This section provides a very brief, plain-language description of a set of statutes reviewed for this study that are relevant to enterprise zone transparency. It does not reflect case law and is not a legal analysis of public records policy in Oregon. Instead, the purpose of this section is to offer basic touchstones on the context for enterprise zone transparency policies and practices in the state.

ORS chapter 285C includes the statute governing enterprise zones. The sections of ORS 285C pertaining to SEZ and LRZ do not directly address transparency of agreements (prior to HB 2009) or outcomes, but they do address zone sponsor duties that include reporting to different entities, including Business Oregon, county assessors, and the Department of Revenue about the activity or efforts of businesses and sponsoring governments.

ORS 276A.253 states that the Oregon Transparency Website must allow any person to view information that is a public record and is not exempt from disclosure if there is no additional cost and by using existing data and resources to do so. **ORS 276A.256** addresses reports of tax expenditures connected to economic development. The section applies to 285C.175 (Enterprise zone exemption; requirements; duration) for SEZs, but until HB 2009 was passed, it did not explicitly apply to LRZs. This section describes information – such as taxpayer name, value of the exemption, and outcomes – that should be provided to the State Chief Information Office to be made available on the Transparency Website.

ORS chapter 192 addresses public records policy. It indicates that public records must be made available upon request (within established rules) but does not appear to require that records be proactively made publicly accessible, on a website for example. Many types of records are exempt from disclosure. **ORS 192.355** lists certain information provided to public bodies, including Business Oregon, for which there is an unconditional exemption from disclosure. A few specific examples include applicant financial statements and production, sales and cost data, among others. **ORS 192.345(2)** describes conditional exemptions from disclosure, such as trade secrets.

ORS chapter 308 on Assessment of Property for Taxation includes provisions that protect or exempt from disclosure some property and property tax data with implications for EZ transparency. **ORS 308.290** states that personal, real and combined property tax returns are confidential records. While records may be disclosed by the Department of Revenue (DOR) to LRO, there is no provision for Business Oregon in that statute. Moreover, **ORS 308.413** makes confidential certain industrial plant appraisal and valuation data.

III.B. Definition of Study Terms

III.B.1. What is transparency?

The working definition of transparency for this study is the ability for any person to view public records that are not exempt from disclosure, with the statutory caveat to use existing data and resources to avoid additional costs.

Section 21 of HB 2009 does not define transparency for the purpose of this study. The working definition above comes from ORS 276A.253, pertaining to the Oregon Transparency Website. Since the term transparency is not defined in HB 2009, legislators and other interested parties may have different expectations for enterprise zone transparency that go beyond an ability to view public records that are not exempt from disclosure. These expectations may require additional data collection and resources to put into practice.

While the study's focus will be on the ability to view public records that are not exempt from disclosure, it will also consider other perspectives on transparency throughout. For example, the 2016 Secretary of State Audit, *Evaluation and Transparency of Incentives and Loans* emphasized documentation of awards, costs and expected results. While not found in EZ statutes, the Audit's definition below has influenced EZ transparency practices in Oregon and is consistent with transparency recommendations from national groups that work on incentive policy.

> "Within economic development, "transparency" means systematically disclosing both the incentives and loans given to individual businesses and the performance of businesses receiving awards, typically jobs and wages. In practice, that means reporting tax credits, grants and other economic development awards given to individual companies on a state website, often with a database to facilitate research. If a company receives an award, the most complete sites report the amount, detail the project it helped fund, disclose performance requirements, such as jobs and wages, and report the actual results." (p. 17)

III.B.2. What are agreements?

Section 21(2) of HB 2009 references "agreements related to enterprise zone programs entered into between zone sponsors and business firms." The authorization process for companies to receive a 3-year SEZ exemption does not require a local written agreement. Firms receiving either a 4- or 5-year extended SEZ exemption or any LRZ tax abatement must have a written agreement with the local zone sponsor.

For this study, then, the term agreement means a written LRZ agreement or a written 4-5 year SEZ agreement by a zone sponsor with a business firm. The analysis will provide the comparisons requested in HB 2009 Section 21(2) for the two types of agreements.

III.B.3. What are outcomes?

Section 21(3) of HB 2009 asks for outcome information that should be included in reports of tax expenditures related to economic development that are to be made available on the Oregon Transparency Website.

ORS 276A.256(3)(d) pertaining to the Oregon Transparency Website states that "specific outcomes or results required by the tax expenditure program and information about whether the taxpayer or applicant meets those requirements" must be included. However, "outcomes or results" are not defined. This paragraph also states that information must be based on data already collected and analyzed in the course of administering the program.

Information that may be considered an outcome or result required by the tax expenditure program and that is required to be collected in the course of administering the SEZ program under ORS 285C.130(5) includes:

- Assessed value of the qualified property
- Taxes that would have been imposed on the qualified property
- Annual average number of employees of the firm within the enterprise zone
- Annual average compensation for the previous assessment year of new employees hired by the firm within the enterprise zone (if subject to annual compensation requirements)
- Total investment cost of qualified property reported on the first exemption claim
- Current number of employees of the firm
- Other information the assessor or DOR considers appropriate

In addition, other information is typically collected, such as business name, location, and the timing of exemption periods, which are not outcomes themselves but may be relevant to understanding and evaluating outcomes.

Some of that information is, by statute, exempt from disclosure. For example, ORS 285.145(4) states that information identifying a particular qualified property, revealing investment plans prior to local approval, or including the compensation the firm provides to firm employees, as well as what is described in ORS 192.355 (17) or is submitted under ORS 285C.225 or 285C.235 are exempt from disclosure under ORS 192.311 to 192.478. Compensation data are the primary outcome from the above list specifically exempt from disclosure.[1]

III.B.4. What is the Oregon Transparency Website?

The Oregon Transparency Website "is a multi-agency effort to help you learn more about state government budgets, reports, contracts, salaries and more!"[2] It "provides annual updates to datasets for agency budget, revenue, expenditure, contracts and procurement, state workforce compensation information, performance audits, and benchmarks, as well as local government data such as Educational Service District (ESD) contracts, expenditures and revenues, and county lottery funds."[3]

HB 2009 Section 21(3) requests a study of the information that should be included in the reports pursuant to ORS 276A.256 to enable evaluation of outcomes. ORS chapter 276A covers information technology and the Office of Enterprise Information Services, including the Oregon Transparency Website. ORS 276A.256 addresses reports of tax expenditures connected to economic development, such as enterprise zones.

The Oregon Transparency Website includes a link for "Enterprise Zones" under the Transparency Topics header. Clicking it takes the user to Business Oregon's Enterprise Zone website, which has several

---

[1] In other states, individual compensation information is typically protected from public disclosure, but it is more common to report aggregated expected or actual average wages for incentive recipients. Specific reporting practices vary by state and incentive program.
[2] https://www.oregon.gov/transparency/pages/index.aspx, accessed May 30, 2024.
[3] Transparency Oregon Advisory Commission Biennial Report, Legislative Fiscal Office, September 2023, p. 1.

preprogrammed Transparency Reporting links taking users to outcome information on the Oregon.gov Open Data Portal. While HB 2009 references the statute (ORS 276A.256) for the Oregon Transparency Website, outcome information is made available primarily through the Open Data Portal with inputs provided by Business Oregon.

III.B.5. What is a Zone Sponsor?

A zone sponsor is the city, county, port, Tribal government, or any combination thereof, that has designated an enterprise zone in their territory or territories. In some cases, not all such governments with territory in an enterprise zone are actual cosponsors, instead letting the other government(s) run the zone on their behalf by official consent. Designation of an enterprise zone is made by resolution of the governing body of the city, county or port and is not final until a positive determination in favor of the zone has been made by Business Oregon that the designation satisfies statutory criteria.

The number of cosponsors for any single zone ranges from one to several governments. This number has consequences for the duties with which the governing body (e.g., city council) of the sponsoring government(s) is directly involved, such as agreements with businesses, when applicable, subject to intergovernmental arrangements.

The zone sponsor is different than the zone manager. One of the duties of the zone sponsor is to appoint a local zone manager. Zone managers are the "day-to-day representative for the zone sponsor… and are often a development official with a sponsoring city or county or an executive at a regional (nonprofit) economic development organization."[4]

III.C. Basic Facts and Figures about Oregon's Enterprise Zones

Established by the Oregon Legislature in ORS chapter 285C, Oregon's Enterprise Zone programs provide a property tax abatement for qualified new business investment in the state's 70+ enterprise zones.[5] The abatement is an exemption from property taxes on 100% of the assessed value of qualified new property. In other words, qualifying businesses do not pay property tax on the assessed value arising from new investments in real and personal property in designated enterprise zones, subject to employment and other criteria. Businesses continue to pay property tax on existing real and personal property. After the tax abatement term ends, all property is subject to local property taxes.

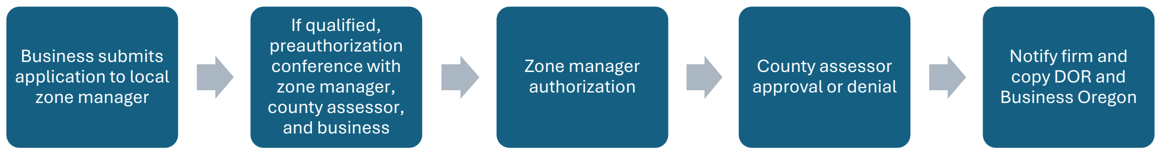
The Standard Enterprise Zone (SEZ) abatement is generally available for 3 years. To qualify for the 3-year abatement, businesses must increase employment by at least one job or 10% and maintain a minimum level of employment during the exemption period, among other requirements. Three-year abatements are authorized by zone sponsors for qualifying businesses, but they do not require a written agreement.

---

[4] Enterprise Zones in Oregon: Local Sponsorship, p. 4. Sponsorship guidebook prepared by Business Oregon, March 2024.

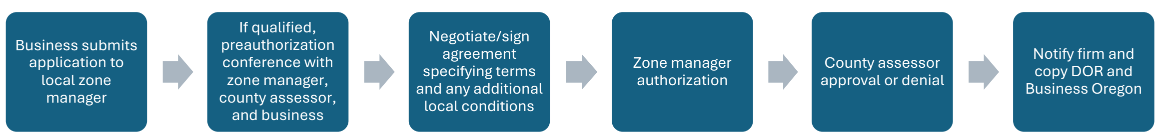
[5] The stated legislative purpose is to "stimulate and protect economic success … by providing tax incentives for employment, business, industry and commerce…." (ORS 285C.055)

Figure 1. 3-Year SEZ Approval Process



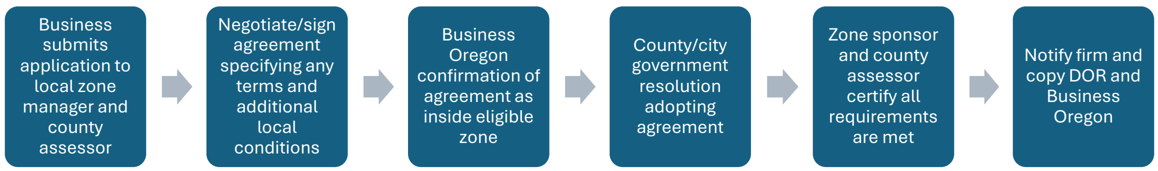
Businesses and local zone sponsors may negotiate an extended SEZ abatement agreement for an additional two years, for a maximum of 5 years. To qualify for a 4- or 5-year extended abatement, businesses must meet the same employment requirements as above in all years, but also pay a school support fee (under HB 2009) and meet certain employee compensation requirements for new employees in most zones. Zone sponsors may require additional local conditions beyond state statutory requirements. Terms of the extended abatement are established in a written agreement between the business and local zone sponsor.

Figure 2. Extended 4-5 Year SEZ Approval Process



The Long-Term Rural Enterprise Zone (LRZ) abatement is available for at least 7 and up to 15 years on new facility property inside a rural enterprise zone within an eligible county. To qualify, businesses must meet investment, new employment, and compensation criteria, which vary by county, and (under HB 2009) pay a school support fee in certain years. Terms of the LRZ, including the number of years for the abatement, are established in a written agreement between the business and local zone sponsor. Again, this agreement may specify additional local conditions or requirements beyond state statutory requirements. Unlike SEZ extended agreements, LRZ abatements must be approved by local government resolution.

Figure 3. LRZ Approval Process



Oregon statutes specifically enable the property tax abatements, but local governments (cities, counties, ports and Tribal governments) manage their own enterprise zones, subject to state involvement to help ensure adherence to statutory requirements. Local governments may also establish any reasonable additional conditions, beyond Oregon's statutory requirements, for businesses to qualify for the extended SEZ or the LRZ abatements. Extended SEZ and LRZ agreements are made between local zone sponsors and business firms. Neither Business Oregon nor the DOR is a party to those agreements.

Once property is in service (operational), and the exemption period has begun, certain outcome information is reported by businesses with SEZ exemption claim filings each year, and then by local assessors to DOR (by statute), with a copy provided to the zone sponsor and Business Oregon. Though not required to do so, Business Oregon then processes assessor reports and follows up for clarification to provide transparency information to populate the Enterprise Zone elements of the Oregon Open Data Portal.

Figure 4. SEZ Annual Compliance/Outcome Reporting Overview

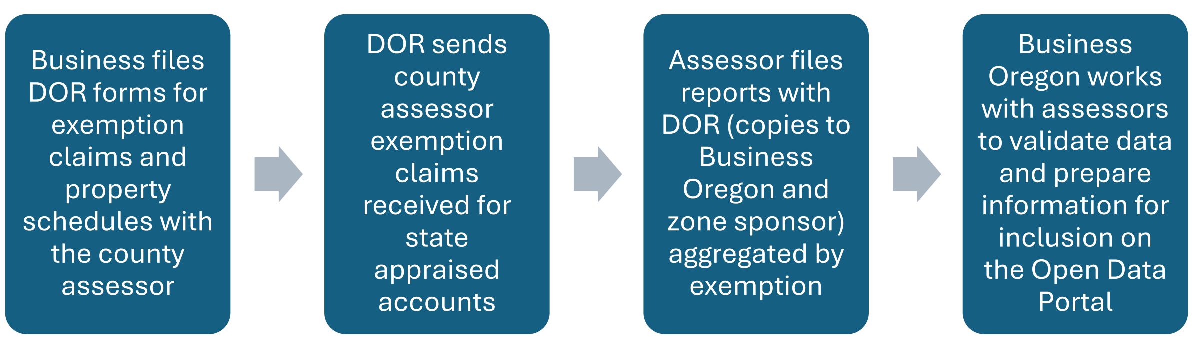
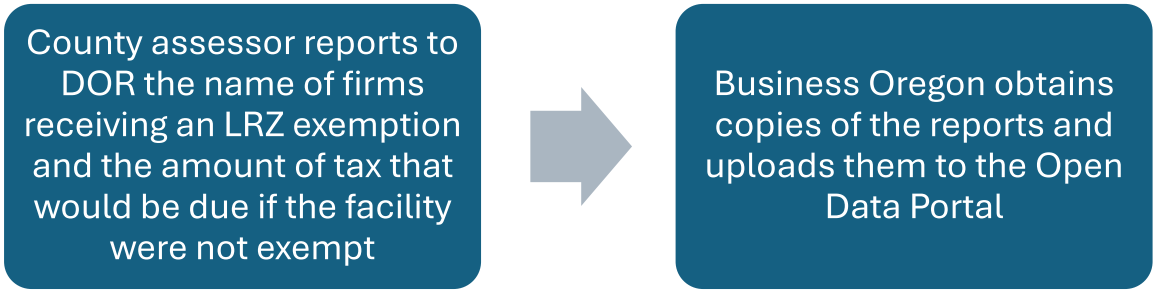


Figure 5. LRZ Annual Outcome/Compliance Reporting Overview



III.C.1. Facts and Figures

There are 73 EZs (18 urban and 55 rural) in Oregon at the time of this study's completion. 29 counties,15 ports, and 119 cities are zone sponsors or co-sponsors of those enterprise zones.[6]

According to the Open Data Portal,[7] in 2023 there were:

- 278 active SEZ projects
  - $5.3 billion approximate cost of related investment
  - $61.2 million property taxes abated
  - 13,480 new jobs (26,232 total jobs)
- 122 completed SEZ projects that are now taxable
  - $977 million assessed value of now taxed property
  - $14.4 million actual property taxes imposed
- 9 companies in 7 counties with active LRZ projects (some with multiple LRZ projects and agreements) amounting to $188 million in abated 2023-24 property taxes

The 2022 Property Tax Incentives Impact Study found:

- SEZ projects at 279 companies produced 42,081 jobs, with total labor income of $2.3 billion and economic output of $7.8 billion in Oregon
- SEZ state fiscal return on investment (ROI) based on state personal income tax revenue relative to foregone property taxes of $1.35 per property tax dollar
- LRZ projects through 2020 at 8 companies produced 4,172 jobs with total labor income of $277 million and economic output of $1.1 billion in Oregon
- LRZ state fiscal ROI of - $0.84

The 2023-25 Tax Expenditure Report indicates:

- $98.7 million revenue impact (loss) from SEZ
- $334 million revenue impact (loss) from LRZ

[6] Information on sponsorship can be found at Business Oregon : Enterprise Zones : Sponsoring an Enterprise Zone : State of Oregon. Information is updated on an ongoing basis.
[7] Data are from reporting on SEZ Part A and C for 2023, accessed June 5, 2024 and Long-Term Rural Enterprise Zone EZ – Facilities Reports for 2023, accessed June 24, 2024

IV. Enterprise Zone Agreement and Outcome Transparency

This section provides a brief overview of the state and local enterprise zone transparency resources that are currently available, including those required by statute. It then examines actual and statutorily required transparency with respect to enterprise zone agreements and information on outcomes that should be included in published reports, as required in HB 2009.

IV.A. Current State of Enterprise Zone Transparency

Oregon's enterprise zones have been operating since the 1980s, and there are several resources that provide information about SEZ and LRZ processes and outcomes. This section reviews those resources to demonstrate how they contribute to overall enterprise zone transparency. Combined with the statutory framework described in section III, Context for Enterprise Zone Transparency in Oregon, they provide the foundation for answering the Oregon Legislature's specific questions about transparency requirements and practices.

Figure 6. Summary of EZ Transparency Resources at the State and Local Levels

	State	Local
SEZ and LRZ Processes	Business Oregon website (EZ program page) Business Oregon Incentives Workshop Training Videos	Local EZ website, typically with links to Business Oregon website for program details
SEZ Extended Agreements between business and local enterprise zone sponsor		Upon request Some are findable via internet search HB 2009: Posted on zone sponsor website for 21 days prior to becoming effective
LRZ Agreements between business and local enterprise zone		Upon request Within county/city council meeting minutes for resolutions and agreements Often findable via internet search Often local reporting HB 2009: Posted on zone sponsor website for 21 days prior to becoming effective
SEZ and LRZ Activity, Costs and Outcomes	Open Data Portal Biennial Tax Expenditure Reports Oregon Transparency website (linked to other sources) Business Oregon website (transparency reporting on EZ landing page) Business Oregon incentives reports (multiple on EZ) DOR Property Tax Statistics	County property tax reports (SAL) GASB 77 statements Local zone or economic development reports, presentations, meetings (not formalized EZ reporting) Urban EZ reports to Oregon Legislature (every 4 years)

IV.A.1. State Resources

The **Business Oregon Enterprise Zone landing page** is the hub for information about enterprise zones in the state. The Oregon Transparency website's Enterprise Zone link directs users to this page, as do many local enterprise zone websites. Business Oregon provides an Enterprise Zone map, links to relevant statutes and administrative rules, and additional resources such as links to the DOR forms that business taxpayers must use for the program, as well as transparency reporting. The latter consists of links for multiple years of information about enterprise zone use that is available at the Oregon Open Data Portal. Business Oregon also offers extensive additional resources and guidance on its website specifically for Standard Enterprise Zones and Long-Term Rural Enterprise Zones.

Business Oregon Workshop Training Videos addressing tax incentive program elements, including Long-Term Rural Enterprise Zone (LRZ) Facilities, Standard Enterprise Zone Authorization, and Standard

Enterprise Zone Annual Processes are offered regularly and are always available for reference on Business Oregon's Incentives Reports page, along with presentation slide decks.

The **Oregon Transparency Website** includes a button on the homepage for Enterprise Zones under the Additional Transparency Topics header. Clicking it takes viewers to Business Oregon's Enterprise Zone website, where, as described above, there are links to comprehensive program information, the relevant statutes governing the program, and preprogrammed links into the Open Data Portal for program data for the past few years.

The **Open Data Portal** is "an open data repository providing users the ability to access, search, visualize, analyze, and download additional public information"[8] beyond what is provided on the Transparency Website. The Open Data Portal is the site where SEZ and LRZ outcome information to be provided under ORS 276A.256 is made available. Information about enterprise zones can be found by entering "enterprise zones" in the site's search bar. SEZ data are organized by year and by the stage that projects are in relative to the enterprise zone process, as follows:[9]

- Business Projects: Exemptions on Qualified Property (2020–2023)
- Businesses: Begin Exemption on Qualified Property (2020–2023)
- New Taxable Property of Former Enterprise Zone Exemptions (2021–2023)
- Businesses: Authorized for Future Exemption(s) on Qualified Property (2020–2023)

LRZ data are presented quite differently based on the limited reporting requirements in statute. A page on the Open Data Portal for Long-Term Rural Enterprise Zone EZ – Facilities Reports lists composite reports from 2016–2023. The county, business name, and amount of tax that would be due if the property were not exempt is included in each yearly PDF report.

The **Tax Expenditure Report** (TER) is produced by the DOR Research Section with input from many state agencies, including Business Oregon. By statute, the TER must provide a list of tax expenditures (including SEZ and LRZ exemptions), statutory authority for each, purpose of the tax expenditure, estimates of revenue loss, and a determination of whether it has achieved its purpose, including an analysis of beneficiaries. The TER provides a 3–5 page summary of program intent, use, and cost for both SEZ and LRZ.

Business Oregon's **Incentives Reports** page also provides access to other resources that examine EZ activity. These include the Oregon Tax Expenditure Report, 2022 Property Tax Incentive Impact Study, 2021 Strategic Assessment of Incentives, 2016 Secretary of State Audit Report, and 2009 LRO Enterprise Zones Study (Research Report #4-09).

The Department of Revenue annual report on **Oregon Property Tax Statistics** "describes the property tax system, including assessed value, market value, and levies imposed by taxing districts. Much of the data are available at the county level and by district type (county, city, school, etc.). This report also provides a description of how Oregon's property tax system works and a discussion of major recent constitutional and statutory changes."[10] Table 1.7 lists the total value of business/housing/miscellaneous exemptions by county. Enterprise zones are one of several business exemptions incorporated into the table data but not separated out as a line item.

---

[8] Transparency Oregon Advisory Commission Biennial Report, Legislative Fiscal Office, September 2023, p. 3.
[9] https://www.oregon.gov/biz/programs/enterprisezones/Pages/default.aspx. Accessed May 30, 2024.
[10] https://www.oregon.gov/dor/gov-research/pages/property_tax_statistics.aspx. Accessed August 21, 2024.

IV.A.2. Local Resources

County assessors prepare an annual **Summary of Assessments and Levies** (SAL). The SAL is a mandatory report. These reports include a table that provides for specially assessed and exempt properties. Similar to Table 1.7 in the DOR Property Tax Statistics report, Table 3 in the SAL would include number of accounts, taxable assessed value and real market value, and assessed value exempt for specially assessed and tax-exempt properties. Some (but not all) of the county SAL reports reviewed for this study include enterprise zones as a separate line item under the Business/Housing/Miscellaneous Exemptions heading. In other words, the SAL reports could be a source of annual aggregate data on the value of property that is exempt from taxation for enterprise zones by county. Multiple interviewees mentioned the county level Summary of Assessments and Levies and lists of **top taxpayers per county** as useful resources.

GASB 77 (from the Governmental Accounting Standards Board) requires state and local governments to disclose certain information about tax abatements in their financial statements. GASB 77 is intended to improve information reported to municipal bond analysts and others who use government financial statements. The focus is on the magnitude of the reduction in taxes. It is not intended to evaluate effectiveness or communicate whether the abatements are good or bad deals.[11] Some county assessors feature or include their GASB 77 reports containing information on enterprise zones on their websites.

Interviews conducted for this study indicate enterprise zone-related information is provided either **upon request** (via informal inquiries, formal public records requests, or when asked to speak or present at a meeting) or **embedded in other reporting activity** (such as economic development strategic plans, annual reports, budget documents, or articles and updates). Several interviewees noted speaking engagements and one-on-one meetings as primary ways of sharing enterprise zone information in their communities.

By law, LRZ abatements must be approved by local government resolution. As such, they are often incorporated into **meeting minutes, packets, or agendas that accompany the resolution**. Research for this study found, in association with resolution adoption, a copy of each LRZ agreement approved since 2020 via on online search of the company name, location, and, in some cases, date of approval. SEZ exemptions are not required to be approved by local resolution, but extended SEZ agreements are approved by resolution(s) in some zones. Research for this study likewise found some of those agreements online.

Urban enterprise zones are required by statute to submit a report to the Legislative Assembly every four years if they have a formally adopted policy and standards for additional conditions. The reports address the application and effects of the conditions on business firms within the enterprise zone. The reports have been submitted to the Senate President and House Speaker, but it is not clear if they have been shared with legislators beyond that. Administrative rules also indicate that Business Oregon should receive copies of the reports (OAR 123-668-2500(11)-v.2.0.11). In practice, Business Oregon has received some, but not necessarily all, reports, which were shared for this study. Examples of the urban zone reports reviewed for this study do not follow a consistent format and have not been widely read (or acknowledged), but they are potential models for summarizing additional conditions imposed on businesses, outcomes associated with those conditions (oftentimes payment of special fees), and other details on enterprise zone activity and outcomes.

---

[11] *Tax Abatement Disclosures.* Presented by Dean Michael Mead, Research Manager, Governmental Accounting Standards Board (GASB) for the NCSL Executive Committee Taskforce on State and Local Taxation. November 2015.

IV.A.3. Perspectives and use of current EZ transparency resources

Interviews conducted for this study suggest little public demand for information about enterprise zones. Nearly all interviewees said they receive few queries about enterprise zone activity per year ("few," "less than five per year," "not much," "never"). With little active demand, it appears that most information is provided either upon request (for example, via public records inquiries or when asked to speak or present at a meeting) or embedded in other reporting activity (such as economic development strategic plans, annual reports, budget documents, or articles and updates).

We also asked interviewees how often they themselves access state enterprise zone transparency resources, such as the Oregon Transparency website, Open Data Portal, and Tax Expenditure Report. The most common responses were either "never," or they were not aware of them at all. A few said that they check those sources occasionally. Many simply contact Business Oregon when they have questions about enterprise zones.

As a point of reference, Kathryn Darnall Helms, Enterprise Information Services at the Department of Administrative Services (DAS), reported in a September 2023 presentation that enterprise zones account for about 2% of Oregon Transparency Website engagement. DAS also shared figures on "interactions" from the Open Data Portal, which suggest that Business Oregon accounts for 0.13% of all interactions. SEZ accounts for about 22% and LRZ for 3% of the Business Oregon interactions on the Open Data Portal. For 2023, this meant about 5,000 interactions pertaining to SEZ and 680 pertaining to LRZ.

Another important takeaway is that individuals at the state and local levels often have different needs and expectations regarding EZ transparency. For those who are seeking information on EZ activity, state level (advocacy groups, consultants, legislators, state agencies) interviewees were more likely to value summary program information conveying overall costs and benefits for the state. They were also more likely to be familiar with state-level transparency resources, such as the Open Data Portal and Tax Expenditure Report. At the local level, interviewees tended to be more interested in project- and community-level costs and benefits and were frequently unaware of or never used the state level transparency resources.

IV.B. Transparency of Agreements

This section addresses the study requirements from HB 2009 section 21(2) with respect to enterprise zone agreements.

IV.B.1. With respect to agreements related to enterprise zone programs entered into between zone sponsors and business firms, the study shall compare (a) the transparency required under statute and the transparency of the processes by which such agreements have actually been entered into.

Our understanding is that the Oregon Legislature's interest is in understanding the required and actual transparency of individual agreements between zone sponsors and business firms, rather than transparency regarding how enterprise zone approval processes work in general leading up to an agreement. This section, therefore, focuses primarily on transparency associated with establishing individual agreements but also briefly addresses the transparency of processes at the program level.

IV.B.1.a. Extended SEZ Agreement Transparency

The process for establishing an agreement is described in ORS chapter 285C, but prior to 2023, the statute did not directly address transparency with respect to individual agreements between zone sponsors and business firms for the standard enterprise zone. When HB 2009 passed in 2023, it required that terms of agreements be posted on the zone sponsor's website 21 days prior to the agreement becoming effective. In other words, before HB 2009, there was neither a requirement nor mandatory mechanism for actively posting 4- or 5-year SEZ agreements on either a state or local website.

In practice, Business Oregon and zone sponsors have treated extended SEZ agreements as public records. Both Business Oregon and the zone sponsors interviewed for this project provide copies of agreements or related information upon request.

In addition, some zones put extended SEZ agreements before their city councils, port boards or county commissions for approval. Research for this project found copies of extended SEZ agreements online, primarily in associated public meeting minutes or agenda packets. This is not a universal practice, but it is not uncommon either, and examples were found in both urban and rural zones.

Interviews also indicated that agreements and related project information are shared at the local level in ways that may meet local expectations but that are not visible online or easily tallied across locations. As indicated earlier, nearly all interviewees said they receive few queries about enterprise zone activity per year. With little active demand, information about agreements tends to be provided either upon request or incorporated into other community reports or meetings.

IV.B.1.b. Long-Term Rural Enterprise Zone Agreement Transparency

ORS 285C.403(3)(a) requires the governing body of the county or city in which a facility is located to adopt a resolution approving the property tax exemption. ORS 285C.403(6) requires the zone sponsor to provide copies of approved applications (which, by rule, must include the executed agreement) to the applicant, DOR and Business Oregon. Until HB 2009 passed in 2023, there was neither a state requirement nor a recommended avenue for making LRZ agreements available for public access prior to the resolution.

In practice, counties and cities have abided by the requirement to pass resolutions approving the property tax exemption. Research for this study found minutes online for resolutions for most agreements. While not previously required, copies of the actual agreements, not just resolutions, were found via online searches for all projects from 2020 onward.[12] In addition, as prescribed by administrative rule and in practice, Business Oregon has received copies of every LRZ agreement.

IV.B.1.c. Enterprise Zone Program Level Process Transparency

ORS 285C and accompanying administrative rules specify the overall process for entering into agreements at the program level. This information is readily available and accessible in practice. The Enterprise Zone page on Business Oregon's website provides links to relevant statutes and administrative rules. Pages for both the SEZ and LRZ address eligibility, requirements for businesses to obtain the exemption, and local authorization process (SEZ) or certification process (LRZ). The SEZ web page also has links that provide additional detail on the authorization process and extended abatement agreements, including a sample

[12] Search terms included the name of the company, county or city name, and year of the agreement. Many agreements were found with this simple search. Others were found by looking at city or council meeting minutes and packets after search by date of the agreement. Fewer agreements were found prior to 2020, in part because local government websites may limit the number of years for which they provide archived, online access to meeting materials.

agreement. Further, every local enterprise zone website reviewed for this study provided links to the Business Oregon Enterprise Zone webpages.

SUMMARY: The processes by which enterprise zone agreements are entered into follow statutory requirements, which are readily accessible in practice. The transparency of individual extended SEZ and LRZ agreements have exceeded statutory requirements, which were quite limited prior to HB 2009. While there was neither a state requirement nor a recommended avenue for making extended SEZ agreements available for public viewing, in practice, agreements were provided in response to public requests, were approved by resolution in some communities, and information about projects was shared in local reports and community meetings, though not necessarily everywhere or in a consistent manner. LRZs require local government resolutions approving the property tax exemption. In practice, counties and cities have abided by this requirement and have often included the agreements themselves as part of the resolution package for the local governing body's public meeting. Copies of actual agreements, not just resolutions, were found via online searches for all LRZ projects from 2020 onward.

IV.B.2. With respect to agreements related to enterprise zone programs entered into between zone sponsors and business firms, the study shall compare (b) the differences in actual transparency among the various enterprise zones.

Our understanding is that the Oregon Legislature's interest is in how agreement transparency varies across the state's 70+ enterprise zones. Most of the laws applying to enterprise zone authorizations (standard 3-year exemption periods) and agreements (extended 4–5-year SEZ and LRZ) are the same across all zones, but the statutes allow some variations that are relevant to agreement transparency. The most significant is permission to establish additional conditions for business firms. The process through which agreements are executed also varies across zones, which may affect transparency or perceptions of transparency.

IV.B.2.a. Local variations

The statutes build in some flexibility to allow for local variation. For example, local governing bodies may permit hotels, motels or destination resorts as eligible business firms (ORS 285C.070) or designate themselves an e-commerce zone (ORS 285C.078). Examples relevant to this study are:

- 285C.150 allows sponsors of urban enterprise zones to require business firms to meet additional conditions; these conditions must be adopted in a policy that establishes standards for the conditions for any SEZ tax abatement.
- Zone sponsors may also require additional conditions in agreements with business firms for both extended 4–5-year SEZs and LRZs (ORS 285C.160 and 285C.403). These additional conditions are included at the local zone sponsor's discretion and may be anything that is "reasonably" requested.
- Zone sponsors may authorize the written agreement with a business firm through a number of approaches. These approaches include but are not limited to: (1) approval by an official normally empowered to enter into such an agreement; (2) specific resolution by the governing body; (3) specific resolution by the governing body to authorize an agent to conclude the agreement; (4) a standing policy to empower an agent to negotiate an agreement; or (5) an intergovernmental agreement that delegates to cosponsors the right to execute an agreement. If there are multiple

cosponsors of an EZ, they may use different approaches (OAR 123-668-2450) to approve the agreement.

IV.B.2.c. Additional local conditions among various enterprise zones

Urban enterprise zones must list additional conditions in a standardized format and have a formally documented policy if they choose to impose such conditions on all (including 3-year) abatements. Administrative rules also indicate, consistent with ORS 285C.150(5), that any further requirement in an extended 4–5-year abatement agreement should formally relate to the policy and standards of an adopted urban zone policy and may not replace any condition normally imposed (OAR 123-668-2400(5)). Conditions should contain standards consisting of established and transparent measures, methods or criteria to implement the policy (OAR 123-668-2500(9)), and they must relate to employment opportunities for one or more groups of persons through any one of various means (OAR 123-668-2500(10) for purposes of ORS 285C.150(2)). Urban enterprise zones are also required by statute to submit a report to the Legislative Assembly every four years if they have such a formal documented policy for additional conditions. The reports address the application and effects of the conditions on business firms within the enterprise zone.

Other zone sponsors entering into extended agreements (i.e., those that are not an urban zone with an adopted policy) are encouraged by administrative rules but are not required by statute to have a formally documented policy. Neither the statute nor administrative rules otherwise provide direct guidance or explicit direction regarding the transparency of these additional conditions in extended agreements. As noted, however, administrative rules do advise creating a policy for the additional conditions to encourage consistency and accountability (OAR 123-668-2400). Finally, sponsors are supposed to inform and update the county assessor, DOR and Business Oregon about any additional condition that is normally sought (OAR 123-668-2000(5) as required under ORS 285C.105(1)(i)).

In practice, some zones do not incorporate any additional conditions into extended agreements; some zones prefer to maintain flexibility in negotiating additional conditions with firms; and some zones have a policy in place regarding additional conditions. All are allowable under state law. Since negotiations would not be a matter of public record (ORS 285.145(4)),[13] this more ad hoc approach to additional conditions is less transparent than having an established policy. The tradeoff is greater local flexibility in setting the terms of individual agreements with business firms. However, approximately 75% of extended SEZ agreements are in urban zones with a policy established under ORS 285C.150, which would mean additional conditions are covered by a documented policy and standardized for that enterprise zone.[14]

Within **LRZs**, the statute allows for written agreements to "include any additional requirements that the sponsor may reasonably request, including but not limited to contributions for local services or infrastructure benefiting the facility" (ORS 285C.403(3)(c)). The statute does not require a formally documented policy. Administrative rules state that the agreement is to include "additional conditions or requirements (including indication that there are none)" (OAR 123-690-2000).

---

[13] Negotiations on incentives are not commonly shared with the public. The report, "Following the Money 2019. How the 50 States Rank on Online Economic Development Subsidy Transparency" from the US PIRG Education Fund explains, "No states have a law ensuring that information on economic development deals is accessible to the public before any state dollars are committed or spent." The report also cites several state statutes providing for confidentiality during negotiations.
[14] 108 out of 142 extended SEZ agreements listed in 2023 Part A on Open Data Portal.

In practice, research conducted for this study found no formal policies among enterprise zones with LRZ agreements in place by 2023.[15] All 17 of those agreements included clauses outlining additional requirements.

The combination of allowing a local choice of whether and how an enterprise zone will incorporate additional conditions into agreements, along with different rules regarding policies for establishing additional conditions in urban enterprise zones (as also applicable to all 3-year authorizations) and in all other zones (applicable for extended SEZ and LRZ agreements) may be inadvertently give rise to confusion or concern regarding the terms of those requirements. In fact, the 2022 Property Tax Incentive Impact Study noted that local requirements are perceived as adding uncertainty and complexity. The Impact Study also noted "confusion about the respective role of state statutes, state agencies and local governments in this regard" (p. 25). At the same time, these additional local conditions often generate community benefits, such as payments to the community and/or community organizations, local hiring practices, workforce development, and reporting on use of local vendors, among others (p. 26–27), for which greater transparency might be valuable in understanding the overall costs and benefits associated with EZ activity.

SUMMARY: Two notable variations across zones are the process through which agreements are executed with business firms, which is decided by the zone sponsor, and the way in which additional local conditions to be imposed on the firm are determined. The variability in the process for incorporating local conditions is perceived as adding uncertainty and may contribute to concerns about transparency. Most zone sponsors negotiate additional conditions for extended SEZ or LRZ agreements at their discretion with no formal policy. The implications for transparency are mixed. Additional conditions in many urban EZs, which dominate the total number of extended abatement agreements, may be considered more transparent, since there is a documented policy, though it may not be readily apparent exactly how those conditions are applied to individual agreements. LRZs are the opposite, with no formal policy, but additional conditions in individual agreements, as indicated previously in this study, are accessible to the public as part of procedures approving the tax abatement.

IV.B.3. With respect to agreements related to enterprise zone programs entered into between zone sponsors and business firms, the study shall compare: (c) the differences in actual transparency between enterprise zones (SEZ) and rural enterprise zones (LRZ)

Our understanding is that the Oregon Legislature's interest is in transparency differences between extended SEZ agreements and LRZ agreements. Figure 7 summarizes the main differences that affect transparency discussed in the previous two sections of this study.

Figure 7. Transparency differences between extended SEZ agreements and LRZ agreements

	Agreements	Additional Conditions
Extended SEZ Agreements	SEZ agreements treated as public records and shared upon request. Some zones put extended SEZ agreements before their governing bodies (e.g., city council), and copies	May require additional conditions. If they generally impose additional conditions, urban zones must have documented policies that can apply to all projects and submit a report

[15] 7 to 15-year Property Tax Abatements, Rural Enterprise Zone Facilities, ORS285C.409(1)(c) exemptions, 2023. OrLTREZfacilities.pdf

	of agreements can be found online in meeting minutes. Business Oregon receives copies of many, but not necessarily all, extended SEZ agreements.	to the Legislative Assembly every 4 years. If they require additional conditions, urban EZs without a policy and rural zones are encouraged but not required to have documented policies; additional conditions are only applied to 4- or 5-year extended agreements. In practice, some zones don't incorporate any additional conditions into extended agreements; some zones prefer to maintain flexibility in negotiating additional conditions with firms; and other zones have a policy in place regarding additional conditions.
LRZ Agreements	Resolutions adopted for all LRZ facilities. Copies of actual agreements, not just resolutions, were found via online searches for all projects since 2020. Business Oregon has received copies of all approved LRZ agreements.	May require additional conditions. No online, documented policy required or found. Additional conditions are specified in agreements, which are public records and can typically be found online. All LRZ agreements reviewed for this study contain additional conditions.

IV.C. Transparency of Outcomes

IV.C.1. With respect to the outcomes under the enterprise zone programs, the department shall study the information that should be included in the reports published pursuant to ORS 276A.256 to enable evaluation of outcomes.

Section 21(3) of HB 2009 asks for enterprise zone outcome information that should be included in reports of tax expenditures related to economic development that are made available on the Oregon Transparency Website. Our understanding is that the Oregon Legislature is interested in additional data elements that could be provided on the Open Data Portal, but interviews indicated that other means of improving overall understanding of enterprise zone outcomes would also be welcome.

IV.C.1.a. What Outcome Information Is Currently Provided on the Open Data Portal?

Substantial outcome information for SEZs is available on the Open Data Portal. There is significantly less information about LRZ outcomes. Both approaches comply with the statutory reporting requirements as of 2023.

Oregon ranked above average in the 2022 Good Jobs First (GJF) transparency report card for state economic development incentive programs, based in part on the strength of its SEZ reporting on the Open Data Portal. The same report noted, however, that information is "minimal and hard to use for the Long-Term Rural Enterprise Zones."[16] In March 2024, GJF highlighted Oregon as a place "modeling great transparency around economic development incentives," citing Oregon's Enterprise Zone disclosure site for SEZs as a "standout example." GJF calls out the ability to access information about past, present and future projects, calling it a "rarity" that "is a practice each state could or should be doing."

SEZ outcome information on the Open Data Portal is organized by year and by where projects are in the process for receiving 3–5-year exemptions (A-D)[17]:

A. Enterprise Zone Business Projects with Exemption on Qualified Property in Previous Year. This represents active projects by year. As of June 2024, data were available for 2020-2023.
B. Enterprise Zone Businesses to Begin Exemption on Qualified Property. This includes qualified property expected to be exempt for the first time in a given year. It represents new projects that have become eligible to take the exemption in that year. As of June 2024, data were available for 2020-2023.
C. Enterprise Zone Qualified Property Subject to Taxation in Prior Year but Previously Exempt. This represents properties in the post-exemption period that are now subject to taxation. As of June 2024, data were available for 2021-2023.
D. Enterprise Zone Businesses Authorized for Exemption on Qualified Property in Future Year(s). This represents projects that are locally approved but have not yet started their exemption. As of June 2024, data were available for 2020-2023.

Figure 8 lists the outcome data available for Parts A-D. Figure 9 provides a screenshot of Part A data from the Open Data Portal, showing how portal users would view SEZ outcome data.

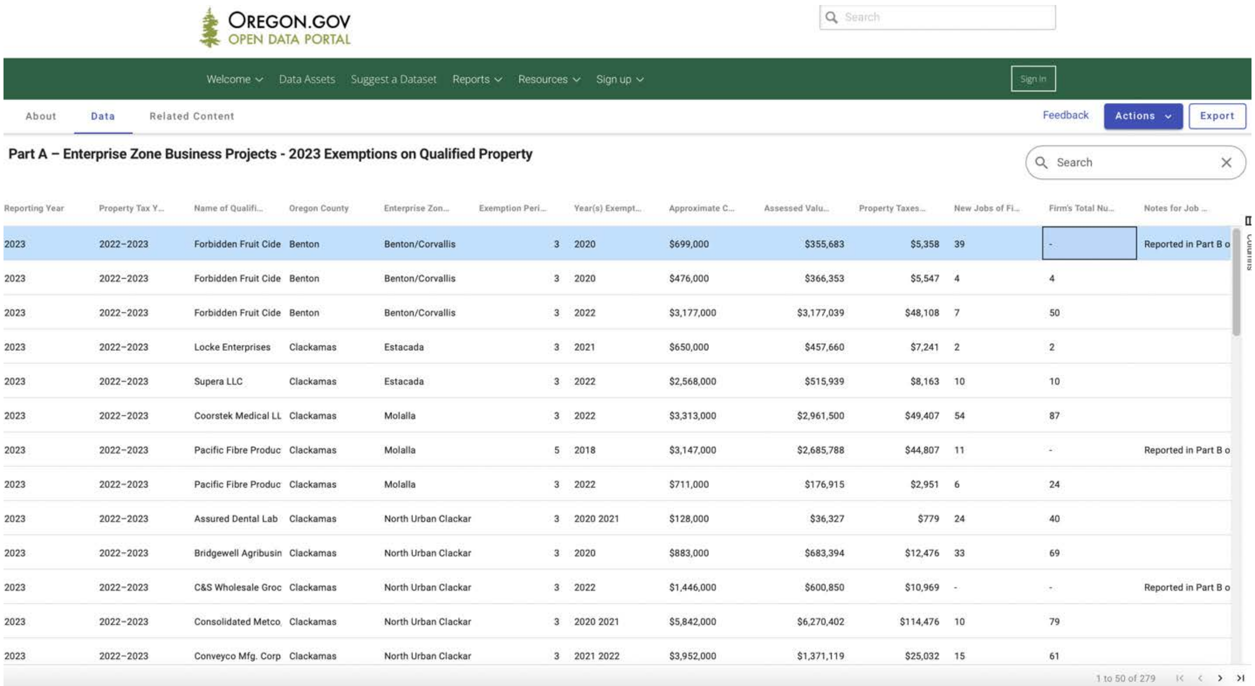
[16] Financial Exposure: Rating the States on Economic Development Transparency. Good Jobs First. 2022.
[17] Enterprise Zones Business Report – Notes – Part A, B, C & D. (Data Portal – 2023-EZ-Business-Report-_Notes_-Part-A-B-C-D.pdf)

Figure 8. SEZ Outcome Data on the Open Data Portal, Parts A-D

	Part A	Part B	Part C	Part D
Reporting Year				
Property Tax Year				
Name of Qualified or Authorized Business Firm	Qualified	Qualified or Authorized	Qualified	Authorized
Oregon County				
Enterprise Zone Name				
Year Exemption Began or First Year of Exemption Period				
Exemption Period (# of years)				
Assessed Value of Exempt Property				
Property Taxes Abated				
Approximate Cost of Related Investment				
New Jobs of Firm in Zone or Anticipated New Jobs of Firm in Zone	New	New		Anticipated New
Firm's Total Number of Employees in Zone				
Notes for Job Numbers				
Assessed Value of Now Taxed Property in Preceding Year				
Actual Property Taxes Imposed in the Previous Year				
Continuation of Project				
Application Date (local submission)				
Authorization Date (local approval)				
Does Firm Have Other Recent Project				
Estimated Cost of Investment in Qualified Property				
Expected Initial Property Tax Year				
Firm's Existing Total Number of Employees				
Hiring Requirement Waived by Local Sponsor				

Source: Data Dictionary: Enterprise Zone Annual Reports, Open Data Portal (2023-Data-Dictionary-Enterprise-Zone_EZ_-Reports__2_.pdf)

Figure 9. Screenshot of Oregon Open Data Portal SEZ Part A. Page (June 13, 2024)


OREGON.GOV
OPEN DATA PORTAL

Search

Welcome Data Assets Suggest a Dataset Reports Resources Sign up

Sign in

About Data Related Content

Feedback Actions Export

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

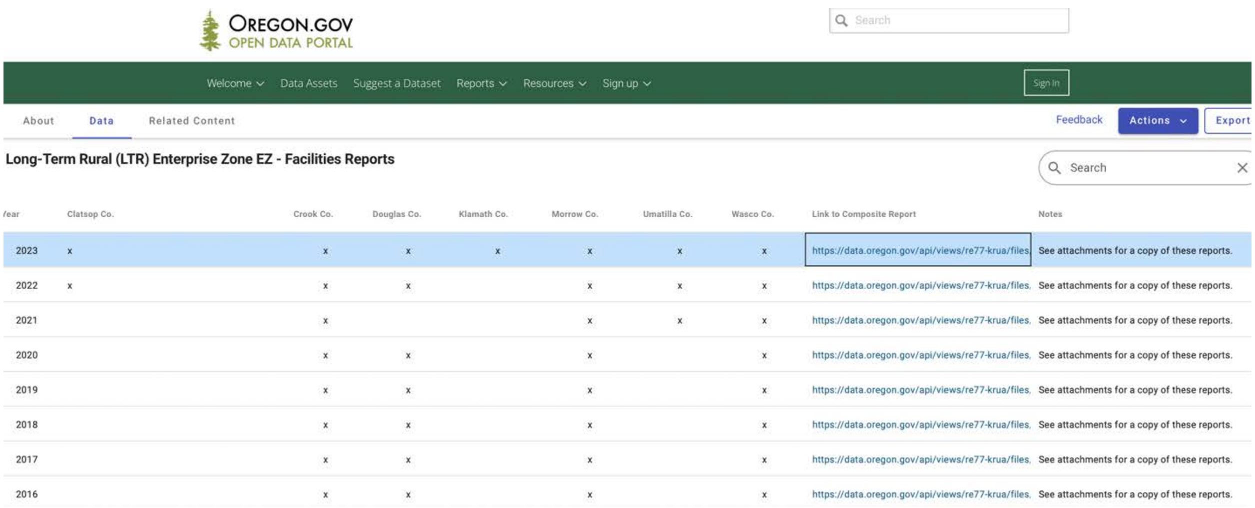
Search

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

LRZ outcome information on the Open Data Portal is presented quite differently, reflecting the statutory reporting provisions. A single page for Long-Term Rural Enterprise Zone EZ – Facilities Reports lists composite reports from 2016-2024. While the SEZ data listed in Figure 9 (above) is presented in a searchable, sortable format, LRZ data is contained in a collated series of separate PDF documents. A summary chart (see Figure 10 below) describes which counties have LRZ reports by year. Clicking on a link for one of the annual reports provides county-by-county information presented in a variety of formats with varying level of detail. At a minimum, as required by statute, counties report the name of firms receiving an LRZ exemption and the amount of tax that would be due if the facility were not exempt. Some counties provide additional information related to property values, but without context or explanation.

Figure 10. Screenshot of Oregon Open Data Portal LRZ Page (June 13, 2024)



OREGON.GOV
OPEN DATA PORTAL

Welcome | Data Assets | Suggest a Dataset | Reports | Resources | Sign up | Sign In

About | Data | Related Content | Feedback | Actions | Export

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

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.

IV.C.1.b. What additional information should be provided on the Open Data Portal?

This section considers additional information that should be provided via Oregon's transparency resources (Oregon Transparency website and Open Data Portal).

SEZ outcome reporting is already strong, but a few additional data elements could be considered. Oregon's SEZ transparency reporting provides the essential company-specific outcome information that transparency advocates typically seek. It satisfies both SEZ and ORS 276A.256 statutory requirements, it aligns with the guidance provided in the 2016 Audit, and it receives high marks from third parties like Good Jobs First.

A scan of property tax abatement transparency resources in other states conducted for this study identified two data elements that could be added to business firm reporting forms and ultimately incorporated into the Open Data Portal, if desired.

One option is to **identify whether a firm is new to the state or is an existing business**. It can be helpful for stakeholders and policymakers to understand the extent to which the EZ program supports Oregon-based businesses versus recruitment of firms new to the state. However, no such data is currently generated or collected systematically.

A second option is to provide more information on the nature of the recipient firms. For example, other state transparency resources include a **NAICS code, other type of sector or facility descriptor, or project purpose**. This information can help stakeholders and policymakers understand the types of businesses using the EZ program and can also be helpful for calculating economic and fiscal impact. However, no such data is currently generated or collected systematically.

A related option for Oregon's consideration is to identify the **recipient businesses that are considered small- and middle-market companies**. The 2021 Strategic Assessment of Incentives stated that, "It may be possible to track and report on the number or percentage of recipients that are small or middle-market companies depending on the definition of these terms and availability of research capacity to verify company size." Current reporting provides employment figures for the firm's operation in the zone, but not necessarily for the overall company. Such reporting would require new procedures plus time and staff resources for additional research.

Figure 11. Summary of Current SEZ Outcome Information Transparency – Open Data Portal

Required pursuant to 276A.256	Collected in the course of administration (Part A &B annual form sent by assessors to DOR)	Provided on Open Data Portal (Part A or B)	Exempt from disclosure
Name of applicant/taxpayer	Name of qualified firm	Name of qualified business firm	
Address	County and Enterprise Zone names	County and Enterprise Zone names	Information that identifies a particular qualified property
Amount of property tax exemption	Taxes to have been imposed	Property taxes abated	
Outcome information collected in the course of administration (statute)	Assessed value of the exempt property	Assessed value of exempt property	
	Taxes that would have been imposed on qualified property ("taxes to have been imposed")	Property taxes abated	
	Firm's preexisting number of employees (at authorization)	New jobs of firm in zone (calculated by current/average employees minus preexisting employees)	
	Average annual compensation of new employees (average employee wage and average employee compensation)	N/A	Compensation the firm provides to firm employees
	Total investment cost of qualified property reported (Reported total cost of qualified property placed in service (Part B)	Approximate cost of related investment	
	Current total or annual average number of employees of the firm (firm's number of employees - average)	Firm's total number of employees in zone	
Any additional information		Reporting Year	
		Tax Year	
	First Exemption Year	Year Exemption Began	
	Total Years	Exemption Period (# of years)	
Reports received	N/A	N/A	

LRZ outcome reporting could be expanded to become more like SEZ reporting, but not based on existing data and resources. The Open Data Portal contains no outcome information, only the company name and amount of tax that would be due if the facility were not exempt, as required. The lack of good quality data on LRZ outcomes, especially jobs and investment, is a weakness in Oregon's otherwise strong enterprise zone transparency practices.

LRZ outcome information could be improved to become more like the SEZ program based on the change made in HB 2009 adding LRZ to the list of programs to which ORS 276A.256 reporting applies. However, without a change to ORS 285C.400–285C.420,it does not appear that ongoing outcome information is or will be collected and made available. Since the information is not already collected in the course of administering the program and given the requirement to rely on existing data and resources and to avoid additional costs for transparency purposes, it may not be possible to provide more LRZ outcome information on the Open Data Portal.

Figure 12. Summary of Current LRZ Outcome Information Transparency – Open Data Portal

Required pursuant to 276A.256	Collected in the course of administration (by DOR)	Provided on Open Data Portal	Exempt from disclosure
Copies of reports received	Name of applicant/taxpayer	Name of business	
	County	County	
	Amount of property tax exemption	Amount of tax that would be due without the exemption	

Some outcomes of interest are not suited to the structure of the Open Data Portal or the Oregon Transparency Website. For example, additional local conditions are specific to the enterprise zone or particular agreement. Since there is no consistent or standardized data, additional local conditions are not a good fit for inclusion in the Open Data Portal. Further, this information is not collected in the course of administering the program.

IV.C.1.c. Other means of improving overall understanding of enterprise zone outcomes

The data collected and presented by the Open Data Portal are very good by the measures that are the focus of this study. However, when interviewees were asked how often they access state EZ transparency resources, such as the Oregon Transparency website, Open Data Portal, or Tax Expenditure Report, the most common responses, especially at the local level, were either "never" or they were not aware of them at all.

Instead, state and local interviewees consistently expressed a preference for plain-language resources rather than "a bureaucratic bundle of information" or "just putting numbers out there." Project-level transparency is certainly important, but stakeholders are also seeking greater understanding of program costs and benefits.

Starting in 2024, Business Oregon will be adding total number of jobs associated with tax abatements to its annual reports. This effort will provide an additional resource addressing one of the top outcomes of interest in a format with which stakeholders may be more familiar. Similarly, many stakeholders interested in property taxes and property tax abatements appear to be familiar with DOR's Property Tax Statistics publication and county-level Summary of Assessments and Levies (SAL) reports. It may be possible for DOR to include aggregate EZ exemption information by county in its annual property tax publication at some point.

Finally, plain-language summary reports would help policymakers, stakeholders, and residents understand the overall costs and benefits, as well as progress over time, of EZ projects. As this study has documented, there are many sources of information about enterprise zone activity that provide valuable data conveying program costs and how the program is being used by companies and across counties. There is not a resource through which people can "see all the pieces of the puzzle."

IV.C.1.d. Additional factors affecting outcome transparency

The 2016 audit identified several unaddressed challenges affecting transparency.

- For example, "county tax assessor reports for enterprise zone exemptions often contain incomplete information on jobs and wages" (p. 3). The audit's recommendations for Business Oregon included working with county tax assessors (ongoing) and the Department of Revenue on enterprise zone reporting to ensure enterprise zone reports from assessors are complete and accurate.
- Incomplete data and inadequate staff time and resources hinder transparency and associated outcome reporting (p. 16).
- Statutory gaps, unclear lines of responsibility, and confidentiality concerns restrict disclosure (p. 20).
- The legislative guidance to use data already collected for administrative purposes and avoid additional costs for program reporting is a hindrance to improved transparency (p. 21).

More comprehensive information about enterprise outcomes comes with a cost. These costs include state and local government staff time for data collection, investments in and time devoted to internal information systems to manage collected data for hundreds of EZ projects as well as externally facing resources such as the Open Data Portal, and time spent on quality control and data validation.

Oregon is not alone in facing these challenges. Across the country, as demands for data and transparency have increased, resources to collect, manage and report data have not. Collecting and making available high-quality, project-specific data for incentive programs remains a challenge for resource-strapped economic development organizations.

V. Other Transparency Questions

V.A. How will HB 2009 change enterprise zone transparency starting in 2024?

Sections 16 and 18 of HB 2009 require SEZ and LRZ agreements to be posted on the zone sponsor's website for 21 days prior to the agreement becoming effective. The firm's name and any proprietary information may not be made public. These provisions represent a significant change by making extended SEZ and LRZ agreements more visible to the public prior to approval.

Section 19 of HB 2009 amends ORS 276A.256 pertaining to the Oregon Transparency Website to include property tax exemptions for LRZs. The implications for transparency are not yet clear, since the reporting provisions associated with LRZs in ORS chapter 285C have not changed.

Sections 24 and 26 of HB 2009 require zone sponsors to notify local governments about extended SEZ and LRZ agreements that may increase infrastructure use in their jurisdictions. The implications for transparency are not yet clear since tax jurisdictions must already be consulted prior to designation of enterprise zones, though not necessarily for individual agreements. In practice, interviews indicated that zone sponsors and tax jurisdictions have different approaches to communication about enterprise zone activity. Some meet regularly, some share reports proactively, some provide project updates upon request, and others appear to have very little interaction.

Since the new laws have only recently taken effect, there has not been sufficient time or information available during the study period to compare actual transparency to this new set of statutory requirements.

V.B. Will school support fees be included in transparency reporting?

HB 2009 requires enterprise zone governing bodies to work with school districts to set a rate for a school support fee that must now be part of extended SEZ agreements and LRZ agreements. The fee needs to be 15 to 30% of the total property taxes foregone in specified years. The zone sponsor is responsible for providing necessary information obtained from the county assessor to the school district to collect the fee. The school district then collects the fee from the business firm.[18]

The current transparency reporting process does not support data collection for the school support fee. Changing the forms and procedures would incur additional administrative costs. To illustrate, the annual reporting forms for SEZ and requirements for LRZ that are submitted by county assessors do not include a request for data on the amount of the school support fee either billed or collected. The Department of Revenue would need to change those forms and requirements in order for information on the school support fee to be provided to the state. County assessors will need to prepare information for the zone sponsor to provide to the school district, and if information is desired on fees collected, they would need to request information back from the school district. Business Oregon and DAS would need to change their data collection and data sharing practices to track the school support fee and create a new data field in the Open Data Portal so that the information is available to the public.

It is possible that school districts, which will collect the fee, or another state agency will have a method of sharing school support fee information as part of their financial reporting within the statewide school funding system, but that determination is beyond the scope of this study.

V.C. What do other states do?

This study examined the transparency practices of property tax abatement programs in Louisiana, Nevada, Oklahoma, South Carolina and Texas – states with either strong transparency practices or recent program evaluations and where property tax abatements are an important component of the incentive portfolio. Nevada and Texas are considered best practice states by Good Jobs First for both their project data and agreement transparency. This section summarizes transparency practices in these two states and discusses implications for Oregon. The full analysis of best practices and state efforts is available in Appendix C.

---

[18] According to HB 2009 section 48(8), the school support fee will count as local revenue for purposes of school funding.

V.C.1. Nevada

Nevada offers standard personal property tax abatements to businesses in a wide set of industry sectors and targeted personal property tax abatements to data centers and certain aviation businesses. The standard version is a 50% abatement for up to 10 years for businesses that meet some basic wage and benefit requirements. Data centers may receive abatements of 75% for 10 or 20 years based on job, wage, investment levels.

Companies apply for tax abatements via state-designated Regional Development Authorities, which forward the applications to the Governor's Office of Economic Development (GOED) for approval. GOED publishes a notice of application 30 days prior the GOED board meeting where the application will be considered. GOED also notifies the local government. The agenda and meeting materials are then posted three days prior to the meeting. Companies may request that parts of the application they consider proprietary and confidential be exempt from public disclosure, which may be granted by the GOED Executive Director.

The abatement agreement is between the company and Nevada Department of Taxation. All compliance reporting and documentation is sent to the Department of Taxation. The Department also conducts two- and five-year compliance audits, which are included in a biennial report.

GOED must submit a biennial report on tax abatements to the Nevada legislature. The report must include the abatement amount, business location, value of infrastructure included as an incentive for the business, whether it is a new or existing business, economic sector, primary jobs with the business, average wage paid, assessed values of personal and real property, and whether the business participates in a workforce development program. The most recent report was released in January 2023 and covers the 2021-22 biennium. Nevada does not have a searchable data portal for property tax abatements.

V.C.2 Texas

Texas Chapter 313 (expired 2022) and the Jobs, Energy, Technology and Innovation Program - JETI (started January 2024) allow school districts to provide property value limitations to firms in manufacturing and other qualified industries that meet specified job and investment requirements. Real and personal property (including inventories) are subject to property taxes in Texas and are eligible for abatement. School taxes comprise most of the property tax burden in Texas. Chapter 312 has similar provisions for county and city governments, but Chapter 313 and the replacement JETI program receive the bulk of attention.

Under Chapter 313, businesses applied directly to the school district where the project would be located and negotiated the details of the abatement agreement with that district. School districts then submitted the application to the Texas Comptroller of Public Accounts, which determined whether the project satisfied program requirements. Once approved by the Comptroller, school districts were allowed to enter into a Chapter 313 agreement with the business. Many schools negotiated a supplemental payment to the district as a condition of the agreement.

Chapter 313 included substantial business reporting and transparency requirements. These included an Annual Eligibility Report to the school district (with a copy to the Comptroller); a Biennial Progress Report to the school district (with a copy to the Comptroller); a Biennial School District Cost Data form from the school district to the Comptroller indicating actual and estimated property values, tax rates, payments in lieu of taxes, extraordinary educational expenses, and revenue protection payments; and an Annual Job

Creation Compliance Report submitted by companies directly to the Comptroller. The Comptroller also was required to post applications and agreements on its website, and districts provided a link to that website on their own websites.

The new JETI program addresses several criticisms of the earlier Chapter 313 program. For example, renewable energy projects are ineligible, and the tax abatement is now structured as 50% of current fair market value. Supplemental payments to the school district have been eliminated. It appears that companies now apply first to the Texas Comptroller, which conducts the initial review of the application. If the application is recommended, the Governor's office and school district conduct their review. Final approval remains with the school board, which must hold a public hearing and post notice of the hearing at least 15 days in advance.[19] The applicant, Governor, and school district then enter into an agreement, with a copy submitted to the Comptroller.

It appears that JETI transparency and reporting will be similar to Chapter 313 reporting. The Comptroller will post applications, maps and economic benefit statements, amendments, agreements, and biennial compliance reports on the Comptroller website.

V.C.3. Implications for Oregon

Neither state's property tax abatement program is directly comparable to Oregon's. Oregon's structure is less centralized with more local control. Most significantly, neither Business Oregon nor the Oregon Department of Revenue are parties to enterprise zone agreements, unlike in Nevada and Texas, where state entities sign agreements with business firms.

Still, there are still useful takeaways for transparency. Both states publish agreement information ahead of approval. The Texas Comptroller and Nevada Department of Taxation have important compliance and reporting roles. Both offer substantial program-wide reporting, although in different formats. Project-level transparency is largely consistent with that provided by Oregon's Open Data Portal.

VI. Issues for Consideration

This section provides options stemming from the analysis presented in this study to improve transparency in the state's enterprise zones.

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

The quantity and quality of information on the Open Data Portal about LRZ exemptions substantially lags the data provided about SEZ exemptions, even though the average project size and revenue impact is much larger. Oregon's overall EZ transparency rankings would be improved if more information on LRZ agreements and outcomes were available.

VI.A.1. Posting agreements

Since 2020, all LRZ agreements have been available online as a matter of practice, often as part of the meeting minutes of governing bodies when passing resolutions approving the agreement. HB 2009

[19] https://comptroller.texas.gov/economy/development/prop-tax/jeti/process.php

requires all LRZ agreements going forward to be posted on the zone sponsor's website for 21 days prior to the agreement becoming effective. Given the fact that the LRZ agreements are already publicly available and all copies are provided to Business Oregon, it would be reasonable to include copies of these agreements on either the Open Data Portal or the Business Oregon website. This step would likely make it easier for residents and policymakers to find copies of agreements and would be a good supplement to local sources of information. It would also elevate Oregon to a best practice level for property tax abatement transparency.

VI.A.2. Providing outcome data

A second recommendation is to improve the LRZ outcome or project level data provided on the Open Data Portal. Ideally, LRZ project data would be very similar to SEZ project data available on the portal. Realistically, the limited reporting currently required by statute for LRZs compared to SEZs means that this option is not feasible without changes to ORS 285C.400 to 285C.420. The statutes currently require that counties only report the name of firms receiving an LRZ exemption and the amount of tax that would be due if the facility were not exempt. A statutory change to make LRZ reporting comparable to SEZ reporting would enhance program transparency.

VI.B. Establish a schedule for issuing summary reports or evaluations of enterprise zone use and outcomes

This study has demonstrated that there are many sources of information about enterprise zones, but there is not a resource where people can "see all the pieces of the puzzle." The result has been greater transparency, but not necessarily greater understanding of whether enterprise zone activities are beneficial for the state.

State and local interviewees consistently expressed a preference for a plain-language report that conveys overall costs and benefits, as well as progress over time, of EZ projects. There is a desire for a resource that brings the transparency data points together to help people understand how SEZ and LRZ programs contribute to Oregon's economy. A key element to this type of reporting would be longitudinal tracking and/or regular updates on projects over time, rather than snapshots of annual activity. A summary report or evaluation could also provide greater transparency into additional local conditions associated with extended SEZ and LRZ agreements. Many of these additional local conditions generate community benefits, but the scope and impact of the benefits are comprehensively documented and clearly communicated.

Participants in the 2021 Strategic Assessment of Incentives (SAI) expressed similar views. The SAI recommended that Business Oregon "comprehensively improve the ability to communicate and tell the story of Oregon's incentives as a joint undertaking among the agency, partners, and incentive participants" through scheduled assessments of longer-run outcomes associated with incentivized activities.

Interviews did not explore who should create the reports or a proposed format, but providing more stories/anecdotes, tracking projects over time, describing commitments made and whether they were fulfilled, showing that there is a process and accountability (not a giveaway) for enterprise zone projects, and seeing in one place a fuller accounting of costs and benefits were recurring themes.

Based on incentive evaluation experiences in other states, one option is to plan to complete this type of report every four or five years, with accommodation for ensuring analyses coincide with sunset reviews.[20] This can be, but does not have to be, a legislative requirement. Evaluations can be conducted by a state entity (such as LRO, Business Oregon, DOR, or the state auditor) or contracted out (university, nonprofit research organization, or consulting firm).[21] A typical evaluation would include the incentive's purpose and evaluation criteria, review of past assessments, data collection and interviews, background/context on the incentive program, metrics on incentive use (including costs and benefits over a defined period of time), assessment of program administration, and an economic and fiscal impact analysis or other measures of return on investment to the state, as well as discussion of similar incentives in peer states and key findings and recommendations.

If Oregon chooses to establish a schedule for issuing program-wide summary reports or evaluations of enterprise zone use and outcomes as suggested here, it could also require (and build in a budget for) research into additional conditions that have been incorporated into a set of extended SEZ and LRZ agreements. The review of extended SEZ and LRZ agreements conducted for this study plus the descriptions of terms of select EZ agreements and policies provided in the 2022 Property Tax Impact Study indicate that there is sufficient data available, but it is scattered and would take significant time to collate it for summary and analysis.

Conducting a regular study every four or five years would require additional resources as well as staff time from many state and local organizations involved in enterprise zone management during the study period. If contracted out, the cost would depend on the scope of work, but a rough estimate would be $100,000–$200,000.

VI.C. Clarify DOR and Business Oregon roles and responsibilities

At the state level, both Business Oregon and the Oregon Department of Revenue have administrative duties for Enterprise Zones under ORS chapter 285C. Neither set of duties explicitly describes departmental roles and responsibilities with respect to transparency. The 2016 audit also identified statutory gaps, unclear lines of responsibility, and confidentiality concerns involving Business Oregon, DOR, and the Oregon Transparency Program as factors hindering data disclosure (p. 20-21).

It is the DOR's duty to create forms and worksheets for businesses to use in claiming exemptions (SEZ – ORS 285C.125(4)) and to receive written reports from county assessors that include outcome data required by statute (SEZ – ORS 285C.130(5) and LRZ ORS 285C.409(4)). However, DOR plays a limited role in transparency reporting for the enterprise zone program.

In practice, Business Oregon has taken the lead as a matter of expediency. One reason may be that the 2016 state audit tasked it with working with assessors and DOR on improving the quality and accessibility of enterprise zone information. Second, state statutes, administrative rules and legal guidance regarding confidentiality of property tax returns and supporting material have engendered a conservative approach to the sharing or release of specific data by DOR, making it difficult in practice for that agency to take the lead on enterprise zone transparency. While the agencies have a good working relationship, there remain

[20] LRO next plans to review Standard Enterprise Zones and Long Term Rural Enterprise Zones for the 2031-33 biennium.

[21] Evaluation examples can be found on the NCSL State Tax Incentive Database. Sample RFPs can be provided upon request.

legal and administrative challenges that limit data sharing between DOR and Business Oregon and affect enterprise zone transparency.

If Business Oregon will continue to have primary responsibility for enterprise zone transparency reporting, the following steps could be taken to clarify each agency's roles and responsibilities and remove barriers that inhibit the flow of data for good quality transparency reporting on both the cost and benefit sides of the enterprise zone programs.

VI.C.1. Allow relevant property tax information to be disclosed to Business Oregon

ORS 308.290 states that personal, real and combined property tax returns are confidential records. While records may be disclosed by DOR to LRO, Business Oregon is not included in this statute. Naming Business Oregon in the statute would allow Business Oregon to receive relevant information for evaluation or transparency purposes consistent with legislative expectations. Once this is in place, Business Oregon and DOR could also establish a Memorandum of Understanding (MOU) defining the terms of a data sharing arrangement.

VI.C.2. Establish a consistent method for estimating the value of the tax exemption

Estimates of the value of the tax exemption are foundational to understanding the cost of the EZ program. This is true for the project level data provided on the Open Data Portal and for aggregate program figures provided in the biennial Tax Expenditure Report. However, there is not a consistent method used by all county assessors to estimate the value of a tax that is not paid. This leads to data inconsistencies and questions that take valuable time to resolve before they are incorporated into EZ reporting resources.

County assessors should already include "assessed value exempt for specially assessed and tax-exempt properties," including for EZs, in Table 3 of their mandatory SAL reports. Business Oregon, LRO, DOR and assessors could collaborate on a working group with the mission to establish a consistent method guiding the calculations assessors use to determine the property tax abatement figures, so that data users, policymakers, and stakeholders can be confident in the quality of the data and consistency in estimates across counties.

The two options above would require additional staff time from both Business Oregon and DOR to commit to a data-sharing MOU and work with assessors to establish a consistent method for estimating property values and the tax abatement. Once in place, however, both steps should save Business Oregon, DOR, and assessors time each year during the annual reporting period by eliminating many of the inconsistencies that can trigger a need for clarification.

VI.C.3. Modernize the data reporting process to mitigate risk and improve quality

Once the SEZ tax abatements are in place and businesses file an exemption claim, certain outcome information is reported by county assessors to DOR, with a copy provided to Business Oregon. Though not required to do so by statute, Business Oregon processes assessor reports and follows up for clarification to provide transparency information that populates the Standard Enterprise Zone elements of the Oregon Open Data Portal. In practice, this means sending reminders and guidance to assessors and holding training sessions for local practitioners; obtaining and collating the annual Excel or PDF reports from nearly 30 counties that are submitted, for the most part, in a format suggested by Business Oregon; examining and validating data, including contacting assessor offices for clarifications or corrections when necessary;

entering data into a spreadsheet; and providing information from the spreadsheet for incorporation into Oregon's Open Data Portal. The spreadsheet is also shared biennially with the Department of Revenue as it prepares the Tax Expenditure Report. This information is also used to respond to public or legislative requests, as well as technical assistance regularly provided to assessors and zone managers across the state.

This system is labor-intensive and inefficient, though it has worked well in satisfying demands of technical oversight, analysis and transparency to date. It is both highly reliant on one individual to manage the data and requires extensive ongoing engagement with multiple state agencies and local partners. There is not a centralized database or portal through which consistent information can be submitted to DOR or Business Oregon. Transferring data from individual forms to a spreadsheet takes time, carries risks of data entry errors, and limits the type of analyses that can be done. It is a workable approach, but it is not a best practice.

The 2021 Strategic Assessment of Incentives (SAI) recommended that Business Oregon consider further systematizing elements of its data reporting and management methods. One option that was presented is to create an incentive program portal, with clear directions on how data should be provided, through which partners or even business recipients can report certain information in a more secure, direct, consistent, and timely manner. Several states have implemented this type of interface to facilitate data collection, management and reporting for their incentive programs.

An online portal would be the "gold standard" solution, but there are hurdles to this approach. First, the EZ reports are submitted to DOR, rather than Business Oregon, and DOR may be unable to participate in developing such an option. Second, Business Oregon is already developing an Economic Development Management System (EDMS) for its programs, but the system is designed to track Business Oregon-managed streams of funding and is not optimized to track tax abatements. Third, the cost may be substantial. Modernizing the data reporting system would require additional resources as well as staff time, and it may pose unique challenges since it would need to be an interagency endeavor. A 2019 proposal estimated the cost at $500,000, but it is likely that both Business Oregon's and DOR's data systems and needs have changed since 2019, as would the cost of such an effort. Nevertheless, this option is worth considering given Oregon's ongoing interest in improving data quality and transparency for the enterprise zone program.

VI.D. Other Considerations

VI.D.1. The Legislative Assembly could consider making the urban enterprise zone reports it receives available to the public.

The Legislative Assembly could consider sharing the urban enterprise zone reports that it requires on the Oregon Transparency website and/or providing a copy to Business Oregon for inclusion in the Transparency section of the Business Oregon enterprise zone web page. Currently, these reports do not appear to be made available beyond the legislative offices to which they are submitted, nor does there appear to be a process to acknowledge or review the information in them.

VI.D.2. DOR could consider adapting its property tax statistics reports to break out data for enterprise zones.

The Department of Revenue's annual report on Oregon Property Tax Statistics includes a table with data on the total value of business/housing/miscellaneous exemptions by county. Enterprise zones are one of several business exemptions incorporated into, but not broken out in, the table data. Our understanding is that the underlying data would be available to allow DOR to separately list enterprise zones in this table and indicate the annual aggregate enterprise zone exemption value by county for the entire state in its annual publication. Most of this information is already available, albeit inconsistently, in most county-level SALs, but there is no place where it is aggregated to provide an annual statewide picture of the tax exemption value.

VI.D.3. Business Oregon could consider offering additional guidance on transparency and reporting practices to zone sponsors and businesses.

Business Oregon could offer guidance to zone sponsors about transparency resources that should be available on their web sites. One option would be to develop simple templates or recommendations about transparency information to be included on local zone websites. Examples could include links to Open Data Portal, TER, county-level GASB 77 and SAL reports, in addition to the links most already have to the Business Oregon website.

Business Oregon could also consider preparing an onboarding packet, webinar, or toolkit (possibly to be used by county or local zone officials) for new enterprise zone businesses regarding their ongoing reporting/claim-filing responsibilities. It is not clear that county assessors or zone sponsors have a common process to prepare businesses to comply with their EZ reporting obligations, aside from the instructions on the DOR forms[22]. In other states, incentives compliance managers have found that an onboarding process, in which they walk through the details of annual submission requirements with appropriate staff at the recipient business (who were likely not involved with the agreement or application procedures), improves data quality, consistency, and compliance with deadlines.

[22] Business Oregon notes that the vast majority of businesses do properly complete mandatory paperwork.

VII. Appendix A. HB 2009 and Resources Consulted

HB 2009, Section 21 (2023)

SECTION 21. (1) The Oregon Business Development Department, in consultation with the Legislative Revenue Officer, shall conduct a study of the transparency of enterprise zone programs.

(2) With respect to agreements related to enterprise zone programs entered into between zone sponsors and business firms, the study shall compare:

(a) The transparency required under statute and the transparency of the processes by which such agreements have actually been entered into.

(b) The differences in actual transparency among the various enterprise zones.

(c) The differences in actual transparency between enterprise zones under ORS 285C.050 to 285C.250 and rural enterprise zones under ORS 285C.400 to 285C.420.

(3) With respect to the outcomes under the enterprise zone programs, the department shall study the information that should be included in the reports published pursuant to ORS 276A.256 to enable evaluation of the outcomes.

(4) Not later than September 15, 2024, the department shall submit a report of the findings of the study, in the manner provided by ORS 192.245, to the interim committees of the Legislative Assembly related to revenue, and may include recommendations for legislation in the report.

Resources Consulted

The following list includes primary source material reviewed for this study. Additional resources were also consulted. Thank you to Business Oregon for making available substantial background information on the enterprise zone program in the state.

2018 Assessment and Taxation Disclosure Manual, Oregon Department of Revenue

2023-25 Tax Expenditure Report, State of Oregon

Administrative Rules Chapter 123, Division 650 Enterprise Zone Creation and Amendment, v.2.0.11

Administrative Rules Chapter 123, Division 668 Local Enterprise Zone Sponsorship, v.2.0.11

Administrative Rules Chapter 123, Division 674 Standard Exemption on Taxable Enterprise Zone Property, v.2.0.10

Administrative Rules Chapter 123, Division 690, Long-Term Rural Enterprise Zone Incentives, v.2.0.11

Attorney General's Public Records and Meetings Manual, July 2019

"Business Oregon Can Improve the Evaluation and Transparency of Economic Development Incentives and Loan Programs." Secretary of State Audit Report (2016-34) | Salem, Oregon, December 2016.

Data Dictionary: Enterprise Zone Annual Reports, Open Data Portal.

"Enterprise Zones Study." Legislative Revenue Office Research Report 4-09. April 1, 2009.

"Financial Exposure: Rating the States on Economic Development Transparency." Good Jobs First, 2022.

"Following the Money 2019. How the 50 States Rank on Online Economic Development Subsidy Transparency." Frontier Group and US PIRG Education Fund. December 2019

Local Budgeting Manual, Property Tax Division, Oregon Department of Revenue

Local Budgeting in Oregon 150-504-400, Oregon Department of Revenue

ORS Chapter 192 – Records; Public Reports and Meetings

ORS Chapter 276A Information Technology (esp. Oregon Transparency Website, Open Data Standards)

ORS Chapter 285C Economic Development III (sections on Enterprise Zones and Long Term Tax Incentives for Rural Enterprise Zones)

ORS Chapter 308 Assessment of Property for Taxation (sections on Method of Assessment for property tax and 308.290 re confidentiality and disclosure)

Oregon Government Ethics Commission – Public Meetings Law

Oregon Property Statistics , Fiscal Year 2022-23, 150-303-405, Oregon Department of Revenue

Oregon Transparency Website and Open Data Portal

Oregon Transparency Website. Website Redesign Project Update, presentation by Kathryn Darnall Helms, State Chief Data Officer, to Transparency Oregon Advisory Commission. September 26, 2023.

Oregon Municipal Handbook (Ch 8 Ethics; Ch 9 Public Meetings Law; Ch. 14 Public Records, Ch 26 Economic Development)

"Oregon Tax Incentives: Standard Enterprise Zone Annual Processes," presentation by Arthur Fish, Business Oregon

"Preview of 2025 Property Tax Exemption Report," presentation by Legislative Revenue Office to the House Interim Committee on Revenue, May 29, 2024.

Property Tax Incentives Impact Study." Applied Economics, February 2022

"Property Tax Incentives Impact Study, Task 2 – Interview Findings," February 2021

Select assessor reports, urban zone reports, SEZ and LRZ agreements, and presentations shared by Business Oregon

"Strategic Assessment of Incentives." Smart Incentives for Business Oregon, July 2021.

Suggested Format for (2023) Annual Report to Oregon Department of Revenue (for SEZs)

"Transparency Oregon Advisory Commission Biennial Report." Legislative Fiscal Office, September 2023.

VIII. Appendix B. Interviews

1. David Brimmer, Research; Robert Motley, Revenue Manager, Industrial Valuation; and Arlen Stewart, Taxation & Exemptions Analyst, Property Tax Division, Department of Revenue
2. Nathan Buehler, Strategy & Communications Manager, Business Oregon
3. John Calhoun, Tax Fairness Oregon
4. Jenee Demski, Director of Finance and Accounting, Leatherman Tool Group
5. Louis DeSitter, Oregon Education Association
6. Dan Dias, Economic & Community Director and Enterprise Zone Manager, and Val Okada, Assistant Enterprise Zone Manager, City of Hillsboro
7. Senator Lynn Findley
8. Charlie Fisher, State Director OSPIRG and Transparency Oregon Advisory Committee
9. Erika Fitzgerald, Assistant Enterprise Zone Manager, City of Gresham
10. Scott Hege, Commissioner, Wasco County
11. Kathryn Darnall Helms, Chief Data Officer, Department of Administrative Services, Enterprise Information Services
12. Hillary Lambert, Director, Economic Development, AWS Global Infrastructure Expansion, Amazon and Sheena Sharma, Principal, AWS Economic Development
13. Scot Langton, County Assessor, Deschutes County
14. Senator Mark Meek
15. Representative Nancy Nathanson
16. Colleen Padilla, Executive Director and Enterprise Zone Manager, SOREDI
17. Andy Reed, Global Trade and Economic Development Manager, Port of Portland
18. Rachael Reynolds, County Assessor, Umatilla County
19. David Stockdale, City Manager and Zone Manager, City of Umatilla
20. Representative Kim Wallan

Interview Questions

Interview questions were adapted for each interview, but all worked from the question set below:

- Introduce the project and study objectives (transparency re agreements and outcomes)
- Can you tell me about the work you do regarding enterprise zones (SEZ and LRZ) in your community/in your position?
- How is information about enterprise zone activity (including agreements and outcomes) shared within your community?
- How many queries do you receive monthly or annually (from press, public, partners) about EZ agreements and outcomes?
- How much time do you devote to enterprise zone tasks in a given month/year? How much of that time is connected to required reporting to the state?
- How often do you access the Oregon Transparency Website re EZ activity? Other EZ resources (such as the Open Data Portal, Business Oregon website, Tax Expenditure Report)?

- How often do you refer people in your community to the these or other resources to answer questions about EZ activity?
- Is there any additional, specific outcome information that you think should be included in public reporting?
- What would you most like the public to know about EZ activity?
- What resources (staff time, business time, information systems, etc.) would you need to make that happen?

IX. Appendix C. Best Practices and other State Transparency Efforts

The purpose of this task is to present materials to the project team summarizing best practices and experiences related to state business incentive transparency, accountability and stewardship. The materials are divided into three sections:

1. National perspectives on transparency best practices
2. National perspectives on data collection and management for transparency
3. State practices

The section on **national perspectives on transparency best practices** covers ratings and recommendations from Good Jobs First, US PIRG, and the Government Finance Officers Association.

- Their focus is on making specific incentive information easily accessible to the public, with a strong emphasis on raising the visibility of the costs of incentives or tax expenditures.
- There is not a universally accepted definition of transparency. While there is overlap in recommendations, they each have different methodologies, audiences, and policy interests.
- Oregon performs well in both the Good Jobs First and US PIRG state rankings.

The section on **national perspectives on data collection and management for transparency** covers work by The Pew Charitable Trusts, Center for Regional Economic Competitiveness, and Smart Incentives.

- Their focus is on helping researchers, evaluators and economic development professionals obtain the information needed to populate transparency portals, generate incentive reports, and enable program evaluations.
- This work has emphasized establishing efficient procedures for collecting compliance information from businesses and overcoming obstacles to using state administrative data (typically from tax and labor agencies) to validate incentive cost and business performance.
- As demands for data and transparency have increased, resources to collect, manage and report data have not. Collecting high-quality, project-specific data for each incentive program (often with different rules, requirements and definitions) can be a challenge for resource-strapped economic development organizations.
- Creating understanding and presenting data about incentive programs in a way that is meaningful to different audiences remains a challenge, even with good transparency practices.

The section **on State Practices**[23] examines the transparency practices of property tax abatement programs in Louisiana, Nevada, Oklahoma, South Carolina and Texas – states with strong transparency practices or recent program evaluations and where property tax abatements are an important component of the incentive portfolio.

[23] Bernie McShea of McShea Group LLC provided valuable research support on state property tax abatement programs and transparency practices.

- Most of these states (except South Carolina) have some level of statewide transparency reporting for their property tax abatement programs. Nevada (report) and Texas (portal) are considered best practice states by Good Jobs First for both their project data and agreement transparency.
- Project-level transparency in these states is largely consistent with that provided by Oregon's Open Data Portal.
- The Oklahoma Tax Commission and Texas Comptroller have been the primary state agencies involved in statewide property tax abatement compliance and reporting. The Governor's Office of Economic Development and Nevada Department of Taxation share compliance and reporting roles. Louisiana Economic Development has developed the FastLane portal and appears primarily responsible for program reporting and transparency. In South Carolina, transparency reporting would occur at the local level, if at all.

National Perspectives on Transparency Best Practices

Good Jobs First

Good Jobs First (GJF) issues transparency report cards for state economic development incentive programs. The 2022 report, *Financial Exposure. Rating the States on Economic Development Transparency*, rated a set of state economic development programs by whether they provide recipient information; subsidy amount; job, wage and investment promises and outcomes; project specifics; and pre-approval transparency. The last element, also called "advance notice and public participation" is a new category in 2022.

62% of the 250 programs examined were considered transparent in the 2022 analysis, meaning they have company-specific, deal-specific disclosure, though the quality of that disclosure is uneven. The average rating was 22/100. Despite the relatively low ratings, GJF has noted that transparency has improved since its first report in 2007.

GJF recommends states "create comprehensive subsidy transparency portals that are easy to find, understand, and use." Company names, incentive or subsidy amounts, job creation, wages and benefits, investment promises and outcomes, and penalties imposed should be included. They also suggest that applications and cost-benefit studies "should be posted on an agency website" before approval to allow for community input.

Oregon ranks above average in the 2022 scoring.[24] According to GJF, "Oregon discloses recipient data for all its major subsidies, but the disclosure quality varies by program, from good on Enterprise Zones (EZs) to minimal and hard to use for the Long-Term Rural Enterprise Zones." For EZs, strengths are in job creation reporting, data accessibility and usability, and expenditure/investment reporting. Weaknesses for both programs include advance notice and public participation, wages/payroll reporting, and detailed project or recipient information (specifically, address or zip code, and recipient details like federal employer identification number, NAICS code, parent company).

In March 2024, GJF highlighted Oregon as a place "modeling great transparency around economic development incentives," citing Oregon's Enterprise Zone disclosure site as a "standout example." GJF calls out the ability to access information about past, present and future projects, calling it a "rarity" that "is a practice each state could or should be doing."

USPIRG

US PIRG's *Following the Money 2019. How the 50 States Rank on Online Economic Development Subsidy Transparency* examines "the depth and breadth of information provided on government-maintained websites and the presence and strength of state statutes requiring economic development subsidy transparency." Information on how much the government spends on economic development incentives, companies receiving incentives, and results achieved is expected. Further, information should be comprehensive, consistent, available at a single website or portal (one-stop), and "allow residents to navigate complex economic development expenditure data with a single click of the mouse." This 2019

[24] Oregon GJF Transparency Score = 32/100. Enterprise Zone Score = 48; Long-Term Rural Enterprise Zone Score = 19

report found that "states are failing to provide comprehensive, accessible and complete information online on economic development studies."

US PIRG includes Tax Expenditure Reports, Grants Reports, Reporting Legislation, Online Portal Inclusion, and Online Portal Legislation in its assessment. While GJF focuses on company-specific deal disclosure, USPIRG emphasizes transparency of government expenditures.

Oregon ranks #5 in USPIRG's system, with a "middling" grade that indicates Oregon fulfills most of the important transparency requirements but with some weaknesses. The Tax Expenditure Report, grants reports (referring to Business Oregon's investment reports), and grants report law all received partial credit. The Online Portal Law and Portal Inclusion received full points.

Government Finance Officers Association (GFOA)

The GFOA's *Best Practices on Enhancing Tax Abatement Transparency* (2016) addresses Tax Abatement Disclosure under GASB 77. GASB 77 requires governments to disclose information about tax abatements in their financial statements. The GASB 77 statement provides detailed guidance on what to include and what not to include in the disclosure. Of interest here, brief descriptive information, dollar amount of taxes abated, and any other government commitments are to be disclosed. Data may be aggregated by program. Individual transactions may be, but do not need to be, disclosed. GASB 77 is intended to improve information reported to municipal bond analysts, as well as citizen and taxpayer groups, legislatures, oversight bodies, and others who may use government financial statements for decision-making and accountability. The focus is on the magnitude of the reduction in taxes. It is not intended to evaluate effectiveness or communicate whether the abatements are good or bad deals.[25] Accordingly, Smart Incentives and others have advised "economic developers to use other outlets to provide context and detail on the reasons for the tax abatement agreements and the anticipated outcomes."[26]

The GFOA best practice advises against providing either subjective assessments or predictions regarding the effect of reported information on future financial position. GFOA notes that this means governments may be "effectively prevented from providing certain highly useful information concerning the justification and expected long-term benefits of tax abatements in the notes to the financial statements." This information might be provided elsewhere, however. GFOA recommends disclosing general information about tax abatement policies and projects in the letter of transmittal for the Annual Comprehensive Financial Report.

National Perspectives on Data Collection and Management for Incentive Transparency

While the three sources cited above focus on making incentive information transparent to the public, they spend little time addressing exactly how that should happen. The next three sources have tried to fill this gap by identifying the steps involved in collecting good quality data to enable reporting for transparency and accountability.

---

[25] *Tax Abatement Disclosures*. Presented by Dean Michael Mead, Research Manager, Governmental Accounting Standards Board (GASB) for the NCSL Executive Committee Taskforce on State and Local Taxation. November 2015.

[26] *3 steps economic developer should take to prepare for GASB 77 tax abatement disclosures*. Ellen Harpel, Smart Incentives blog article. April 2016.

The Pew Charitable Trusts

Pew's involvement in economic development incentives began with the 2012 reports, *Evidence Counts*, which encouraged states to "produce and connect policy makers with good evidence of whether these tools deliver a strong return on taxpayers dollars" and *Avoiding Blank Checks. Creating Fiscally Sound State Tax* Incentives, which promoted incentive design that prevents programs from growing unpredictably and creating unanticipated budget risks. Their focus on data and transparency is in service of an effort to better understand both the effectiveness and fiscal impact of tax incentives. Pew's work coalesced into a focus on encouraging evaluations of tax incentives to help policymakers make informed decisions on incentive policy, a Pew priority since 2014.

Improving business incentive information is an important part of Pew's evaluation work. A recurring theme has been lack of access to data to enable high quality evaluations.

> *The personnel tasked with studying incentives – such as auditors, economists, and tax policy experts – report that many of their foremost challenges relate to the availability and usability of data that are spread across multiple agencies, sensitive or confidential, or incomplete.*[27]

Two specific challenges identified early on were lack of data collaboration across different state agencies involved in administering incentives and whether or how to use sensitive company information that has been collected.[28] Recommendations for enabling greater data collaboration include authorizing evaluation offices to access relevant data, creating targeted exemptions from confidentiality rules, directing agencies to improve the usability of data (for example, through use of online forms), and collecting new information from companies through business reporting requirements and/or surveys.

CREC and the State Data Sharing Initiative

The Center for Regional Economic Competitiveness (CREC) launched the two-year State Data Sharing Initiative in 2016. Its objective was to improve data collaboration between state agencies that maintain administrative records and with researchers who support policy analysis and program evaluation efforts.

> *Sharing administrative data for policy analysis and program evaluation can improve evidence available to state leaders as they determine which economic and workforce development programs are likely to produce the greatest benefits for the state's economy, workers, and communities.*[29]

Data sharing requires active management to overcome existing legal, regulatory, technical, and cultural barriers to collaboration and to encourage safe and secure data sharing efforts that protect confidentiality while improving analysis and evaluation. The final report recommended articulating clearly the circumstances in which data may be shared, dedicating resources to data sharing, and standardizing data sharing processes.

Smart Incentives and Business Compliance Reporting

Compliance data from businesses is the foundation of much of the transparency reporting sought by policymakers and organizations like Good Jobs First. It is often the primary source of information on project details, outcomes of interest, and, in some cases, the cost or expenditures associated with the

---

[27] *How States Can Gather Better Data for Evaluating Tax Incentives*, The Pew Charitable Trusts. June 2018.

[28] *Better Incentive Information,* The Pew Charitable Trusts. April 2016.

[29] *Advancing State Data Sharing for Better Economic and Workforce Development*, Dr. Kenneth E. Poole and Dr. Ellen D. Harpel. March 2018.

incentive since many incentive payments are now performance-based and tied to specified milestones. Company-provided reporting data are especially important in the absence of robust administrative data sharing with state tax and labor agencies.

Smart Incentives worked with CREC in 2020 to design and offer a training program for economic development professionals on *Designing and Managing Business Incentive Compliance Efforts*. This 10-hour online program explored methods for collecting and validating business compliance information to ensure uniformity in data aggregation, opportunities for improvement in compliance procedures, ways to ease the administrative burden for both companies and economic development staff, how to address non-compliance, and methods for reporting compliance and performance impacts to decision-makers.

Smart Incentives and CREC created the compliance training program because collecting high-quality project-specific data on a regular basis for each incentive program (which each often have different rules, requirements and definitions), poses a significant challenge for resource-strapped economic development organizations. As demands for data and transparency have increased, resources to collect, manage and report data have not. The training program provided an opportunity for compliance managers from multiple states to share their experiences and good practices, while also working through common problems in the compliance process.

For example, participants expressed concern that presenting data points in isolation could be misleading to those not familiar with the overall structure and intent of incentive programs. Even with solid data reporting, it has remained a challenge to build understanding about how programs work and to present data in a way that is meaningful to different audiences. Another challenge is that audience interests change, and data collection can struggle to keep up. The last issue is especially problematic as policymakers have new priorities that might not be incorporated into past program rules and reporting (such as impact on housing or childcare, or hiring from within specific communities, among others).

State Practices

This section examines the transparency practices of five states' property tax abatement programs. Three of the states (Louisiana, Nevada and Texas) are rated highly for personal property tax abatement transparency by Good Jobs First. Oklahoma is included because it has a state level property tax abatement program that is regularly evaluated by the Oklahoma Incentive Evaluation Commission. Similarly, the Lincoln Land Institute conducted a thorough study of South Carolina's property tax abatements. Both assessments provided valuable insights into transparency practices.

Louisiana

Louisiana's Industrial Tax Exemption Program (ITEP) is a state-level program that until recently provided a 100% property tax exemption for 5-10 years with no job creation requirement and no public review or input, even among affected taxing jurisdictions. Applications were approved with little debate by the state Board of Commerce & Industry, which is appointed by the governor. Local taxing jurisdictions learned of approvals after the fact.

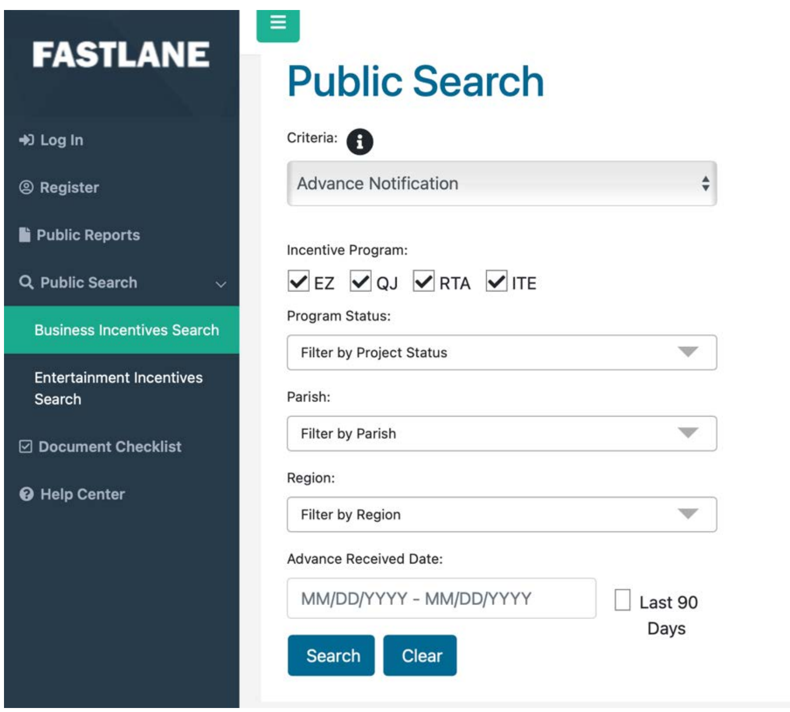
The program was overhauled in 2017 to reduce the exemption to 80% for up to 10 years, eliminate maintenance and replacement capital from eligibility, require job creation agreements with clawbacks for non-performance, and enable local taxing authorities (after a public hearing) to approve the exemption.

ITEP was changed once again in 2024, when a new governor took office. The job creation and clawback elements were eliminated, local approvals were consolidated into a single, parish-level industrial board whose decisions are binding on all taxing entities in the parish, and the Governor can override local rejection of the applications.

According to the Louisiana Economic Development (LED) website,[30] companies apply for ITEP via the LED FastLane online incentives management platform. Both LED and the Louisiana Department of Revenue review the application. The company then enters into an agreement with LED that is attached to the contract if the application is fully approved. Upon full approval, companies must submit a project completion report and an annual report to LED via FastLane.

LED's FastLane is also the state's incentive reporting and transparency portal. The portal provides ITEP data on location, jobs, payroll, construction jobs and payroll, project purpose, contract dates, and approval status. It provides an estimate of the value of the tax exemption. Data can be downloaded and searched by parish and date. It also allows users to search for incentive applications.

Screenshots of the LED FastLane Portal (May 2024)



[30] LED website accessed May 23, 2024. It is not clear if this process reflects the 2024 program changes.

Board Approved Industrial Tax Exemption Program Projects Results

Search: Show 1,000 entries Copy CSV Excel PDF Print

Project ID	Company Name	Project Physical Location	Project Parish	NAICS	Application Received Date	Estimated Total Investment	Estimated Total Jobs
20230359-ITE	CapChem Technology USA Inc.	30.1942756032, -90.9767678566, Geismar, LA 70734	Ascension	325180	10/20/2023	$240,572,870.00	645
20230256-ITE	UBE America Inc.	10800 River Road, Westwego, LA 70094	Jefferson	325199	10/19/2023	$491,603,372.00	309
20230392-ITE	CF Industries Nitrogen, LLC	39018 Hwy 3089, Donaldsonville, LA 70346	Ascension	325311	10/18/2023	$75,000,000.00	628
20230367-ITE	Cyber Square, LLC	2701 E. 70th St., Shreveport, LA 71105	Bossier	327999	10/17/2023	$47,601,050.00	34
20230090-ITE	Cyber Square, LLC	2701 E. 70th St., Shreveport, LA 71105	Bossier	327999	10/17/2023	$18,514,149.00	21
20230245-ITE	Bopot, LLC	337 Highlandia Drive, Baton Rouge, LA 70810	East Baton Rouge	531120	10/16/2023	$3,232,046.00	81
20220326-ITE	BBP Sales, LLC	337 Highlandia Drive, Baton Rouge, LA 70810	East Baton Rouge	334513	10/16/2023	$487,600.00	73
20220401-ITE	Sulphur Solar LLC	Lat: 30°15'51.37"N Long: 93°26'9.12"W, Sulphur, LA 70663	Calcasieu	221114	09/08/2023	$209,942,000.00	201
20230322-ITE	ADA Carbon Solutions (Red River), LLC	201 Red River Mine Road, Coushatta, LA 71019	Red River	325998	09/07/2023	$251,065,753.00	206
20230310-ITE	CF Industries Nitrogen, LLC	8404 Noel Road, Donaldsonville, LA 70346	Ascension	325311	09/06/2023	$2,000,000,000.00	1242
20230257-ITE	Bunge Loders Croklaan USA, LLC	2700 US-90, Avondale, LA 70094	Jefferson	311225	09/01/2023	$86,000,000.00	114

Nevada

Nevada offers standard personal property tax abatements to businesses in a wide set of target industry sectors and targeted personal property tax abatements to data centers and certain aviation businesses. The standard version is a 50% abatement for up to 10 years for businesses that meet some basic wage and benefit requirements. Data centers may receive abatements of 75% for 10 or 20 years based on job, wage, investment levels.

Companies apply for tax abatements via state-designated Regional Development Authorities, which forward the applications to the Governor's Office of Economic Development (GOED) for approval. GOED publishes a notice of application 30 days prior the GOED board meeting where the application will be considered. GOED also notifies the local government. The agenda and meeting materials are then posted three days prior to the meeting. Companies may request that parts of the application it considers proprietary and confidential be exempt from public disclosure, which may be granted by the GOED Executive Director.

The abatement agreement is between the company and Nevada Department of Taxation. All compliance reporting and documentation is sent to the Department of Taxation. The Department also conducts two and five year compliance audits, which are included in the biennial report described below.

GOED must submit a biennial report on tax abatements to the Nevada legislature. The report must include abatement amount, business location, value of infrastructure included as an incentive for the business, whether it is a new or existing business, economic sector, primary jobs with the business, average wage paid, assessed values of personal and real property, and whether the business participates in a workforce development program. The most recent report was released in January 2023 and covers the 2021-22 biennium. Nevada does not have a searchable data portal for property tax abatements.

Screenshots of Nevada's Approved Tax Abatement Biennial Report (Jan. 2023)

Tax Abatement Summaries - Fiscal Years 2010 through 2022

Nevada Commission of Economic Development (FY10-11) & Governor's Office of Economic Development

Standard Abatement Summary for Participating and Compliant Companies

Fiscal Year	Total Contracted Amount of Capital Investment	New Contracted Jobs (first 2 years)	Contracted Average Hourly Wage	Approved Partial Sales & Use Tax Abatement	Approved Partial 4 Year Modified Business Tax Abatement	Approved 10 Year Personal Property Abatement	Approved 10 Year Real Property Abatement
FY10	$50,078,864	286	$14.98	$2,950,810	$151,495	$1,633,464	NA
FY11	$189,375,229	233	$18.30	$11,484,050	$111,255	$4,242,875	NA
FY12	$519,544,516	562	$19.65	$39,571,766	$230,646	$31,721,610	$380,406
FY13	$206,804,223	531	$21.26	$14,047,637	$406,901	$6,657,028	NA
FY14	$278,180,281	2,781	$16.01	$17,628,819	$1,454,904	$7,927,204	NA
FY15	$322,752,682	1,352	$19.25	$19,573,746	$933,231	$10,241,381	$446,900
FY16	$691,916,489	1,032	$20.60	$40,585,534	$1,090,339	$19,378,499	$4,333,100
FY17	$341,576,724	3,134	$19.06	$19,482,656	$2,841,882	$10,600,150	$4,364,991
FY18	$155,656,647	2,186	$24.13	$8,902,197	$3,286,420	$3,659,464	$704,395
FY19	$154,689,980	797	$31.17	$9,336,943	$1,323,620	$4,691,461	$412,886
FY20	$153,783,344	313	$25.82	$8,075,102	$386,570	$4,704,510	$377,196
FY21	$535,817,429	2,259	$26.89	$31,058,590	$3,686,157	$12,339,620	NA
FY22	$984,319,737	3,410	$28.38	$52,319,163	$5,306,382	$27,377,062	NA
Totals FY 2010 - FY 2022	**$4,584,496,145**	**18,876**	**$22.55**	**$275,017,013**	**$21,209,802**	**$145,174,328**	**$11,019,874**

Approved Tax Abatements - Fiscal Year 2022

Nevada Governor's Office of Economic Development*

No.	Year	Month	Company Name	Sector	Type	County	Capital Investment	Number of Employees	Average Wage	Approved Partial Sales & Use Tax Abatement	Approved Partial 4 Year Modified Bus.Tax Abatement	Approved 10 Year Personal Property Abatement	Approved 10 Year Real Property Abatement
1	2021	09	Accurate Manufactured Products Group	L&O	N	Clark	$1,078,026	22	$27.64	$68,724	$22,987	$20,903	
2	2021	09	Applied Manufacturing, LLC	M	N	Clark	$5,111,000	54	$22.77	$325,826	$92,055	$75,997	
3	2021	09	Northern Nevada 3PL, LLC	L&O	N	Lyon	$2,372,690	30	$21.83	$59,317	$15,061	$25,353	
4	2021	09	CAE SimuFlite, Inc.	Other	N	Clark	$61,500,000	78	$54.96	$3,920,625	$213,146	$1,192,483	
5	2021	09	Crown Cork and Seal USA, Inc	M	N	Clark	$84,560,000	126	$26.18	$5,390,700	$144,659	$2,851,708	
6	2021	09	Flowers Baking Company of Henderson, LLC	M	E	Clark	$30,347,452	66	$24.85	$1,145,616	$78,703	$1,023,439	
7	2021	09	Haddington Dynamics Inc.	Other	E	Clark	$4,987,000	99	$61.30	$188,259	$449,793	$74,153	
8	2021	09	The Kroger Co	L&O	N	Clark	$40,974,207	207	$26.53	$2,612,106	$385,929	$794,489	
9	2021	09	Motional AD, Inc.	Other	E	Clark	$3,549,521	111	$34.92	$133,994	$221,096	$52,779	
10	2021	09	NeuroVu Studios	Other	N	Clark	$5,178,200	20	$32.03	$330,110	$30,837	$100,405	

Source: Snapshots from *Approved Tax Abatement Biennial Report, Fiscal Years 2010 through 2022. Nevada Commission (10-11) and Governor's Office of Economic Development*

Oklahoma

Oklahoma's Five Year Ad Valorem Tax Exemption exempts from property tax all real and personal property associated with new, acquired or expanded manufacturing facilities in qualified industries. The definition of qualified industry has changed over time and currently includes data centers and distribution operations. Facilities must meet payroll and other requirements to receive the exemption for all five years.

Facilities apply for the exemption through the county assessor's office where the facility is located. Approved applications are then filed with the Oklahoma Tax Commission (OTC). The state reimburses counties for the abated property taxes.

The OTC issues an annual report for the ad valorem tax exemption. Its focus is on state loss of revenue for the tax year due to the exemption. It provides data on total reimbursements by tax year, a percentage breakdown of reimbursements by broad category (e.g., "traditional manufacturing"), and reimbursements by county and by company within each county.[31]

The Five Year Ad Valorem Tax Exemption is evaluated every four years by the Oklahoma Incentive Evaluation Commission (IEC).[32] The evaluations and Commission meeting agendas, minutes and presentations are available online at the IEC website. IEC meetings are open to the public. The most recent Five Year Ad Valorem evaluation was in 2020. The evaluation includes data provided by the OTC for:

- State reimbursements to counties by fiscal year (total, by category, and by county)
- Aggregated payroll data for the qualifying facilities (first year of exemption)
- Aggregated capital investment for qualifying facilities (first year of exemption)

The program does not have a jobs requirement, and OTC does not collect information on jobs associated with the exempt manufacturing property.

The OTC collects other data during the application process to ensure facilities are qualified for the exemption, but OTC "had considerable difficulty sharing requested information" with evaluators due to a combination of confidentiality constraints and lack of an accessible and transmissible data format.

The biggest data sharing shortfall is payroll increase information by facility, which has hindered the ability to calculate economic impact. Other helpful information, such as the percentage of new versus expanded facilities, is also not shared, even in aggregated form, though it is collected via the application.

The 2020 evaluation recommended increasing program transparency, noting that Oklahoma's program is less transparent than similar programs in nearby Texas and Louisiana. The evaluation suggests making additional application information (including NAICS codes) and jobs, payroll and average wage data associated with exemptions available to evaluators. Access to this additional information would help evaluators more accurately and completely convey the impact of the program on Oklahoma's economy.

South Carolina

South Carolina's Fee in Lieu of Property Taxes (FILOT) allows manufacturers to negotiate a reduced real and personal property tax abatement based on their project's job creation and investment levels. State

[31] *2024 Annual Report to the Oklahoma Tax Commission, Exempt Manufacturing Reimbursements. Ad Valorem,* Oklahoma Tax Commission.

[32] In 2015, HB2182 established the Oklahoma Incentive Evaluation Commission and required the Commission to conduct evaluations of all qualified state incentives over a four-year time frame. PFM Group Consulting has conducted these evaluations every year since 2016. Ellen Harpel of Smart Incentives has been part of the PFM team since 2020.

statutes set the parameters for the program, but the incentive is granted solely at the discretion of the county where the project is located. The company can negotiate both the assessment percentage and the millage rate. The investment must occur within either a 5- or 8-year timeframe, but the FILOT agreement may reach up to 30 years.

FILOT is a locally approved incentive, and there is no state government database that tracks FILOT agreements. The South Carolina Policy Council reported that the SC Department of Revenue tracked 2,306 FILOT schedules in 2023 but would not share county-specific data.[33] In a 2020 study, the Lincoln Institute of Land Policy similarly found "no comprehensive data source" documenting use of property tax abatements in South Carolina, making it "difficult to tell how widespread their use is."[34] State statutes do not require counties to disclose their FILOT agreements, company performance on agreements, or to provide public notice or a public hearing on FILOT agreements.

That said, notice of FILOT agreements may appear on County Council agendas. An online search for FILOT agreements in five of the state's larger counties yielded mixed findings. In general, no county had a database or portal to search, but copies of recent FILOT agreements were found through a general online search. GASB 77 disclosure information was found for one county.

Texas

Texas Chapter 313 (expired 2022) and the Jobs, Energy, Technology and Innovation Program - JETI (started January 2024) allow school districts to provide property value limitations to firms in manufacturing and other qualified industries that meet specified job and investment requirements. Real and personal property (including inventories) are subject to property taxes in Texas. Only real and personal property are eligible for abatement. School taxes comprise most of the property tax burden in Texas. Chapter 312 has similar provisions for county and city governments, but Chapter 313 and the replacement JETI program receive the bulk of attention.

Under Chapter 313, businesses applied directly to the school district where the project would be located and negotiated the details of the abatement agreement with that district. School districts then submitted the application to the Texas Comptroller of Public Accounts, which determined whether the project satisfied program requirements. Once approved by the Comptroller, school districts were allowed to enter into a Chapter 313 agreement with the business. Many schools negotiated a supplemental payment to the district as a condition of the agreement.

Chapter 313 included substantial business reporting and transparency requirements. These included an Annual Eligibility Report to the school district (with a copy to the Comptroller); a Biennial Progress Report to the school district (with a copy to the Comptroller); a Biennial School District Cost Data form from the school district to the Comptroller indicating actual and estimated property values, tax rates, payments in lieu of taxes, extraordinary educational expenses, and revenue protection payments; and an Annual Job Creation Compliance Report submitted by companies directly to the Comptroller. The Comptroller also was required to post applications and agreements on its website, and districts provided a link to that website on their own websites.

[33] *Shedding light on South Carolina's murky corporate welfare system*, Bryce Fiedler, South Carolina Policy Center. December 2023.
[34] *A Deep Dive on South Carolina's Property Tax System. Complex, Inequitable and Uncompetitive. Volume 2, Chapter 5: Property Tax Abatements, Focusing on FILOTs* (p. 253), David Merriman, Ph.D. and Daphne A. Kenyon, Ph.D. 2020.

The new JETI program addresses several criticisms of the earlier Chapter 313 program. For example, renewable energy projects are ineligible, and the tax abatement is now structured as 50% of current fair market value. Supplemental payments to the school district have been eliminated. It appears that companies now apply first to the Texas Comptroller, which conducts the initial review of the application. If the application is recommended, the Governor's office and school district conduct their review. Final approval remains with the school board, which must hold a public hearing and post notice of the hearing at least 15 days in advance.[35] The applicant, Governor, and school district then enter into an agreement, with a copy submitted to the Comptroller.

It appears that JETI transparency and reporting will be similar to Chapter 313 reporting. The Comptroller will post applications, maps and economic benefit statements, amendments, agreements, and biennial compliance reports on the Comptroller website.

[35] https://comptroller.texas.gov/economy/development/prop-tax/jeti/process.php

Screenshots from the Texas Comptroller website, Chapter 313 pages (May 2024)

- **Agreement List** as of April 15, 2024 (XLSX)
- **Inactive Agreement and Project List** as of April 15, 2024 - (XLSX)
- **Tax Credits Paid** Through Section 42.2515, Texas Education Code
  Source: Texas Education Agency

Note: You can sort the table below by clicking on any of the headers. Sort multiple columns simultaneously by holding down the Shift key and clicking a second, third or even fourth column header.

School District	App. No.	Applying Entity	Application Date	First Full Tax Year	Phase
Abbott ISD	1364	Sun Valley Solar, LLC	04/24/2019	2021	Agreement
Abernathy ISD	1655	Abernathy Solar, LLC	10/19/2021	2026	Agreement
Abernathy ISD	1921	Antelope Solar llc	05/19/2022	2026	Agreement
Abernathy ISD	1774	Old Aqueduct Solar LLC	04/13/2022	2028	Agreement
Academy ISD	1539	250LB 8me LLC	11/03/2020	2023	Agreement
Adrian ISD	313	Spinning Spur Wind Three, LLC	07/11/2013	2014	Agreement
Adrian ISD	255	Spinning Spur Wind Two, LLC	12/10/2012	2014	Agreement
Alpine ISD	1025	SolaireHolman 1 LLC	06/25/2014	2016	Agreement
Alvin ISD	1619	Maxter Healthcare, Inc.	07/02/2021	2023	Agreement
Anderson-Shiro Cisd	1781	Smith Lake Solar, LLC	04/18/2022	2026	Agreement
Andrews ISD	1411	2W Permian Solar, LLC	08/16/2019	2022	Agreement
Andrews ISD	1755	Core Solar SPV I, LLC	03/30/2022	2025	Agreement
Andrews ISD	1301	Jumbo Hill Wind Project, LLC	10/16/2018	2020	Agreement
Andrews ISD	1293	Lapetus Energy Project, LLC	09/17/2018	2020	Agreement
Andrews ISD	1281	Prospero Energy Project, LLC	08/15/2018	2021	Agreement
Andrews ISD	1463	Prospero Solar II, LLC	01/17/2020	2022	Agreement
Angleton ISD	1803	Brazoria Solar I, LLC	04/22/2022	2026	Agreement
Angleton ISD	1766	Cascade Solar Energy LLC	04/08/2022	2023	Agreement

Chapter 313 School Value Limitation

ABBOTT ISD NO. 1364, SUN VALLEY SOLAR, LLC

Application Phase

Application — Posted 06/04/2019

Application Amendment 1 — Posted 06/04/2019

Certification Packet — Posted 08/22/2019

Agreement Phase

Agreement — Posted 11/18/2019

Findings — Posted 11/18/2019

Amended Application After Execution 1 — Posted 03/10/2020

Amended Supplement After Execution 1 — Posted 04/09/2020

Amended Certification Packet After Execution 1 — Posted 04/14/2020

Amended Agreement 1 — Posted 09/30/2020

Amended Certification Packet After Execution 2 — Posted 01/31/2022

Amended Application After Execution 2 — Posted 03/29/2022

Report Phase

2020 Biennial Progress Report -773B — Posted 09/08/2020

2020 School District Cost Data Report -827B — Posted 09/08/2020

2020 Chapter 313 Annual Eligibility Report Form 772 — Posted 09/11/2020

2021 Chapter 313 Annual Eligibility Report Form 772 — Posted 08/17/2021

2022 Biennial Progress Report -773B — Posted 08/30/2022

2022 School District Cost Data Report -827B — Posted 08/30/2022

2022 Chapter 313 Annual Eligibility Report Form 772 — Posted 09/12/2022

2022 Chapter 313 Annual Eligibility Report Form 772 — Posted 09/12/2022

2023 Chapter 313 Annual Eligibility Report Form 772 — Posted 11/21/2023

Economic Development

Sales Tax Programs
Property Tax Programs
Jobs, Energy, Technology and Innovatio
Tax Increment Financing (Ch. 311)
Property Tax Abatement (Ch. 312)
Texas Economic Development (Ch. 313
School District Limitation Values
Owner Tax Credits
Frequently Asked Questions
Forms
Biennial Reports
Agreement Documents
Chapter 313 Resources
Freeport and Transit Exemptions
Grants and Special Assessments
Search Tools and Data

Source: Chapter 313 School Valuation Limitation Agreement Documents. Clicking on either the School District or Applying Entity links take you to a page with additional links pertaining to applications, agreements, and reports.
https://comptroller.texas.gov/economy/development/prop-tax/ch313/agreement-docs.php

X. Acknowledgments

Ellen Harpel and Smart Incentives offer appreciation for the inputs and guidance provided by Business Oregon and the Legislative Revenue Office throughout the research and information gathering process of this study. This report especially benefited from the insights and expertise of:

- Christopher Allanach, Legislative Revenue Officer
- Arthur Fish, Business Incentives Coordinator, Business Oregon
- Mark Gharst, Policy & Government Affairs Manager, Business Oregon
- Michael Held, Regional Development Manager, Business Oregon
- Beau Olen, Revenue Economist, Legislative Revenue Office

We would also like to thank the economic development stakeholders, elected officials, and partners who participated in the study interviews and answered questions for this study.

Finally, thank you to Bernie McShea of McShea Group LLC and Terry Gillen, who provided valuable research support and experience related to state property tax abatement programs and incentive transparency practices.