

## **HB 2725 -2 STAFF MEASURE SUMMARY**

### **House Committee On Revenue**

---

**Prepared By:** Beau Olen, Economist

**Meeting Dates:** 4/15

---

#### **WHAT THE MEASURE DOES:**

Prohibits an unaffected port from being a party to the intergovernmental agreement for an annual community services support fee under the Strategic Investment Program. Defines “affected port”. Applies to a request for a property tax exemption under the Strategic Investment Program made after the effective date of the Act.

#### **ISSUES DISCUSSED:**

##### **EFFECT OF AMENDMENT:**

-2 Replaces definition of "affected port".

##### **BACKGROUND:**

A business firm which has a property tax exemption under the Strategic Investment Program is required to pay an annual community services support fee. The fee is 25 percent of the property tax which would, but for the exemption, be due on the exempt property. The maximum fee, which is adjusted for inflation each year, is \$3,084,000 in 2025-26. Fee revenue is generally allocated among all non-school taxing districts in the code area of the property, based on an intergovernmental agreement or otherwise by action of the Oregon Business Development Commission.