

SB 99 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

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Sub-Referral To: Joint Committee On Tax Expenditures

Meeting Dates: 2/19, 4/9, 5/28

WHAT THE MEASURE DOES:

Extends the property tax incentives for brownfield development by moving the sunset date six years, from January 1, 2027, to January 1, 2033.

ISSUES DISCUSSED:

- Allowable development types
- Housing development
- Local government tax rate threshold

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

This program allows cities, counties, or ports to adopt an ordinance or resolution to provide property tax incentives for the development of certain brownfield land. Available property tax incentives are a land special assessment and a full or partial exemption of improvements and personal property on the brownfield land. Cities, counties, or ports can adopt the special assessment, full or partial exemption, or both. The tax incentives have an initial term of up to 10 years, with an option for an additional five years, for a total of up to 15 years.

The incentives apply to the property taxes of all taxing districts in the area if districts representing at least 75 percent of the total combined tax rate support the program. Qualifying owners are granted the incentives until the earlier of the:

- expiration of the benefit period
- date on which the dollar amount of benefits equal eligible costs, net of eligible cost offsets
- discovery the owner failed to comply with eligibility requirements, begin brownfield remediation or development, or file any required reports.