

HB 2351 B STAFF MEASURE SUMMARY

Joint Committee On Tax Expenditures

Prepared By: Beau Olen, Economist

Meeting Dates: 6/10

WHAT THE MEASURE DOES:

Clarifies which records are exempt from disclosure, including certain public records of a business submitted as part of an application for an economic development incentive.

Clarifies the role of enterprise zone (EZ) sponsors, including that they must ensure a qualified business firm can use local public services, incentives, and regulatory flexibility a zone sponsor has elected by policy. Requires the Department of Revenue (DOR), in consultation with the Oregon Business Development Department (OBDD), county assessors, and zone sponsors to prescribe the form of the annual written report on EZ statistics submitted by county assessors to DOR. Requires DOR, OBDD, county assessors, and zone sponsors to share certain information on EZ statistics, including information required for the annual written report.

Clarifies that property may not qualify for the long-term rural enterprise zone (LRZ) property tax exemption if it is granted certain other property tax exemptions. Clarifies which LRZ information must be posted on the State Transparency Website. Disqualifies a business firm from the LRZ exemption for failure to submit an annual written report on EZ statistics to the zone sponsor before the end of a minimum notice and cure period specified by OBDD rule.

Clarifies the information OBDD must report on qualified business firms exempt under the Strategic Investment Program (SIP) and extends reporting deadlines for the Department of Administrative Services and OBDD. Requires information on state appraised industrial property exempt under SIP or Oregon Revised Statutes chapter 285C to be provided to OBDD upon request.

Requires the directors of DOR and OBDD to enter into an interagency agreement regarding information sharing and methods to estimate the effects of property tax exemptions for economic development incentives within 90 days following the effective date of the Act. Takes effect on the 91st day after sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

HB 2351 includes some of the recommendations for legislation from the EZ transparency report required by HB 2009 (2023). OBDD, in consultation with the Legislative Revenue Office, was required to submit an EZ transparency report to the Legislature by September 15, 2024, which compared actual transparency to the transparency required by statute. HB 2009 also made other changes to improve the transparency of EZ property tax exemptions.