B-Engrossed
House Bill 2351

Ordered by the House May 28
Including House Amendments dated March 20 and May 28

Introduced and printed pursuant to House Rule 12.00. Presession filed (at the request of Governor Tina Kotek for Oregon Business Development Department)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act would make some changes to how a business reports data from certain state benefit programs. (Flesch Readability Score: 60.1).

Makes changes to certain statutes related to the release and reporting of businesses' economic development information.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to the economic development information of businesses; creating new provisions; amending ORS 192.355, 285C.105, 285C.125, 285C.130, 285C.145, 285C.409, 285C.415, 285C.420, 285C.615, 285C.635 and 308.290; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 192.355, as amended by section 13, chapter 87, Oregon Laws 2024, is amended to read:

192.355. The following public records are exempt from disclosure under ORS 192.311 to 192.478:

(1) Communications within a public body or between public bodies of an advisory nature to the extent that they cover other than purely factual materials and are preliminary to any final agency determination of policy or action. This exemption shall not apply unless the public body shows that in the particular instance the public interest in encouraging frank communication between officials and employees of public bodies clearly outweighs the public interest in disclosure.

(2)(a) Information of a personal nature such as but not limited to that kept in a personal, medical or similar file, if public disclosure would constitute an unreasonable invasion of privacy, unless the public interest by clear and convincing evidence requires disclosure in the particular instance. The party seeking disclosure shall have the burden of showing that public disclosure would not constitute an unreasonable invasion of privacy.

(b) Images of a dead body, or parts of a dead body, that are part of a law enforcement agency investigation, if public disclosure would create an unreasonable invasion of privacy of the family of the deceased person, unless the public interest by clear and convincing evidence requires disclosure in the particular instance. The party seeking disclosure shall have the burden of showing that public disclosure would not constitute an unreasonable invasion of privacy.

(3) Upon compliance with ORS 192.363, public body employee or volunteer residential addresses, residential telephone numbers, personal cellular telephone numbers, personal electronic mail addresses, driver license numbers, employer-issued identification card numbers, emergency contact in-

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

formation, Social Security numbers, dates of birth and other telephone numbers contained in records maintained by the public body that is the employer or the recipient of volunteer services. This exemption:

(a) Does not apply to the addresses, dates of birth and telephone numbers of employees or volunteers who are elected officials, except that a judge or district attorney subject to election may seek to exempt the judge's or district attorney's address or telephone number, or both, under the terms of ORS 192.368;

(b) Does not apply to employees or volunteers to the extent that the party seeking disclosure shows by clear and convincing evidence that the public interest requires disclosure in a particular instance pursuant to ORS 192.363;

(c) Does not apply to a substitute teacher as defined in ORS 342.815 when requested by a professional education association of which the substitute teacher may be a member; and

(d) Does not relieve a public employer of any duty under ORS 243.650 to 243.809.

(4) Information submitted to a public body in confidence and not otherwise required by law to be submitted, where such information should reasonably be considered confidential, the public body has obliged itself in good faith not to disclose the information, and when the public interest would suffer by the disclosure.

(5) Information or records of the Department of Corrections, including the State Board of Parole and Post-Prison Supervision, to the extent that disclosure would interfere with the rehabilitation of a person in custody of the department or substantially prejudice or prevent the carrying out of the functions of the department, if the public interest in confidentiality clearly outweighs the public interest in disclosure.

(6) Records, reports and other information received or compiled by the Director of the Department of Consumer and Business Services in the administration of ORS chapters 723 and 725 not otherwise required by law to be made public, to the extent that the interests of lending institutions, their officers, employees and customers in preserving the confidentiality of such information outweighs the public interest in disclosure.

(7) Reports made to or filed with the court under ORS 137.077 or 137.530.

(8) Any public records or information the disclosure of which is prohibited by federal law or regulations.

(9)(a) Public records or information the disclosure of which is prohibited or restricted or otherwise made confidential or privileged under Oregon law.

(b) Subject to ORS 192.360, paragraph (a) of this subsection does not apply to factual information compiled in a public record when:

(A) The basis for the claim of exemption is ORS 40.225;

(B) The factual information is not prohibited from disclosure under any applicable state or federal law, regulation or court order and is not otherwise exempt from disclosure under ORS 192.311 to 192.478;

(C) The factual information was compiled by or at the direction of an attorney as part of an investigation on behalf of the public body in response to information of possible wrongdoing by the public body;

(D) The factual information was not compiled in preparation for litigation, arbitration or an administrative proceeding that was reasonably likely to be initiated or that has been initiated by or against the public body; and

(E) The holder of the privilege under ORS 40.225 has made or authorized a public statement

characterizing or partially disclosing the factual information compiled by or at the attorney's direction.

(10) Public records or information described in this section, furnished by the public body originally compiling, preparing or receiving them to any other public officer or public body in connection with performance of the duties of the recipient, if the considerations originally giving rise to the confidential or exempt nature of the public records or information remain applicable.

(11) Records of the Energy Facility Siting Council concerning the review or approval of security programs pursuant to ORS 469.530.

(12) Employee and retiree address, telephone number and other nonfinancial membership records and employee financial records maintained by the Public Employees Retirement System pursuant to ORS chapters 238 and 238A or by another retirement system operated by a public body.

(13) Records of or submitted to the State Treasurer, the Oregon Investment Council or the agents of the treasurer or the council relating to active or proposed publicly traded investments under ORS chapter 293, including but not limited to records regarding the acquisition, exchange or liquidation of the investments. For the purposes of this subsection:

(a) The exemption does not apply to:

(A) Information in investment records solely related to the amount paid directly into an investment by, or returned from the investment directly to, the treasurer or council; or

(B) The identity of the entity to which the amount was paid directly or from which the amount was received directly.

(b) An investment in a publicly traded investment is no longer active when acquisition, exchange or liquidation of the investment has been concluded.

(14)(a) Records of or submitted to the State Treasurer, the Oregon Investment Council, the Oregon Growth Board or the agents of the treasurer, council or board relating to actual or proposed investments under ORS chapter 293 or 348 in a privately placed investment fund or a private asset including but not limited to records regarding the solicitation, acquisition, deployment, exchange or liquidation of the investments including but not limited to:

(A) Due diligence materials that are proprietary to an investment fund, to an asset ownership or to their respective investment vehicles.

(B) Financial statements of an investment fund, an asset ownership or their respective investment vehicles.

(C) Meeting materials of an investment fund, an asset ownership or their respective investment vehicles.

(D) Records containing information regarding the portfolio positions in which an investment fund, an asset ownership or their respective investment vehicles invest.

(E) Capital call and distribution notices of an investment fund, an asset ownership or their respective investment vehicles.

(F) Investment agreements and related documents.

(b) The exemption under this subsection does not apply to:

(A) The name, address and vintage year of each privately placed investment fund.

(B) The dollar amount of the commitment made to each privately placed investment fund since inception of the fund.

(C) The dollar amount of cash contributions made to each privately placed investment fund since inception of the fund.

(D) The dollar amount, on a fiscal year-end basis, of cash distributions received by the State

Treasurer, the Oregon Investment Council, the Oregon Growth Board or the agents of the treasurer, council or board from each privately placed investment fund.

(E) The dollar amount, on a fiscal year-end basis, of the remaining value of assets in a privately placed investment fund attributable to an investment by the State Treasurer, the Oregon Investment Council, the Oregon Growth Board or the agents of the treasurer, council or board.

(F) The net internal rate of return of each privately placed investment fund since inception of the fund.

(G) The investment multiple of each privately placed investment fund since inception of the fund.

(H) The dollar amount of the total management fees and costs paid on an annual fiscal year-end basis to each privately placed investment fund.

(I) The dollar amount of cash profit received from each privately placed investment fund on a fiscal year-end basis.

(15) The monthly reports prepared and submitted under ORS 293.761 and 293.766 concerning the Public Employees Retirement Fund and the Industrial Accident Fund may be uniformly treated as exempt from disclosure for a period of up to 90 days after the end of the calendar quarter.

(16) Reports of unclaimed property filed by the holders of such property to the extent permitted by ORS 98.352.

(17)(a) The following records, communications and **supporting** information submitted to the Oregon Business Development Commission, the Oregon Business Development Department, the State Department of Agriculture, the Oregon Growth Board, the Port of Portland or other ports as defined in ORS 777.005, or a county or city governing body and any board, department, commission, council or agency [*thereof*] **of a county or city**, by applicants **as part of an application** for investment funds, grants, loans, services or economic development moneys, support or assistance including, but not limited to, those described in ORS 285A.224:

[*(A) Personal financial statements.*]

[*(B)*] **(A)** Financial statements [*of applicants*].

[*(C)*] **(B)** Customer lists.

[*(D)*] **(C)** Information [*of an applicant*] pertaining to litigation to which the applicant **or a proposed beneficiary of the application** is a party if the complaint has been filed, or if the complaint has not been filed, if the applicant shows that such litigation is reasonably likely to occur[*;*]**.** This exemption does not apply to litigation which has been concluded, and nothing in this subparagraph shall limit any right or opportunity granted by discovery or deposition statutes to a party to litigation or potential litigation.

[*(E)*] **(D)** Production, sales and cost data.

[*(F)*] **(E)** Marketing strategy information that relates to **the** applicant's plan **or a proposed beneficiary of the application** to address specific markets and [*applicant's*] strategy regarding specific competitors.

(b) The following records, communications and information submitted to the State Department of Energy by applicants for tax credits or for grants awarded under ORS 469B.256:

(A) Personal financial statements.

(B) Financial statements of applicants.

(C) Customer lists.

(D) Information of an applicant pertaining to litigation to which the applicant is a party if the complaint has been filed, or if the complaint has not been filed, if the applicant shows that such litigation is reasonably likely to occur; this exemption does not apply to litigation which has been

concluded, and nothing in this subparagraph shall limit any right or opportunity granted by discovery or deposition statutes to a party to litigation or potential litigation.

(E) Production, sales and cost data.

(F) Marketing strategy information that relates to applicant's plan to address specific markets and applicant's strategy regarding specific competitors.

(18) Records, reports or returns submitted by private concerns or enterprises required by law to be submitted to or inspected by a governmental body to allow it to determine the amount of any transient lodging tax payable and the amounts of such tax payable or paid, to the extent that such information is in a form which would permit identification of the individual concern or enterprise. Nothing in this subsection shall limit the use which can be made of such information for regulatory purposes or its admissibility in any enforcement proceedings. The public body shall notify the taxpayer of the delinquency immediately by certified mail. However, in the event that the payment or delivery of transient lodging taxes otherwise due to a public body is delinquent by over 60 days, the public body shall disclose, upon the request of any person, the following information:

(a) The identity of the individual concern or enterprise that is delinquent over 60 days in the payment or delivery of the taxes.

(b) The period for which the taxes are delinquent.

(c) The actual, or estimated, amount of the delinquency.

(19) All information supplied by a person under ORS 151.485 for the purpose of requesting appointed counsel, and all information supplied to the court from whatever source for the purpose of verifying the financial eligibility of a person pursuant to ORS 151.485.

(20) Workers' compensation claim records of the Department of Consumer and Business Services, except in accordance with rules adopted by the Director of the Department of Consumer and Business Services, in any of the following circumstances:

(a) When necessary for insurers, self-insured employers and third party claim administrators to process workers' compensation claims.

(b) When necessary for the director, other governmental agencies of this state or the United States to carry out their duties, functions or powers.

(c) When the disclosure is made in such a manner that the disclosed information cannot be used to identify any worker who is the subject of a claim.

(d) When a worker or the worker's representative requests review of the worker's claim record.

(21) Sensitive business records or financial or commercial information of the Oregon Health and Science University that is not customarily provided to business competitors.

(22) Records of Oregon Health and Science University regarding candidates for the position of president of the university.

(23) The records of a library, including:

(a) Circulation records, showing use of specific library material by a named person;

(b) The name of a library patron together with the address or telephone number of the patron; and

(c) The electronic mail address of a patron.

(24) The following records, communications and information obtained by the Housing and Community Services Department in connection with the department's monitoring or administration of financial assistance or of housing or other developments:

(a) Personal and corporate financial statements and information, including tax returns.

(b) Credit reports.

(c) Project appraisals, excluding appraisals obtained in the course of transactions involving an interest in real estate that is acquired, leased, rented, exchanged, transferred or otherwise disposed of as part of the project, but only after the transactions have closed and are concluded.

(d) Market studies and analyses.

(e) Articles of incorporation, partnership agreements and operating agreements.

(f) Commitment letters.

(g) Project pro forma statements.

(h) Project cost certifications and cost data.

(i) Audits.

(j) Project tenant correspondence.

(k) Personal information about a tenant.

(L) Housing assistance payments.

(25) Raster geographic information system (GIS) digital databases, provided by private forestland owners or their representatives, voluntarily and in confidence to the State Forestry Department, that is not otherwise required by law to be submitted.

(26) Sensitive business, commercial or financial information furnished to or developed by a public body engaged in the business of providing electricity or electricity services, if the information is directly related to a transaction described in ORS 261.348, or if the information is directly related to a bid, proposal or negotiations for the sale or purchase of electricity or electricity services, and disclosure of the information would cause a competitive disadvantage for the public body or its retail electricity customers. This subsection does not apply to cost-of-service studies used in the development or review of generally applicable rate schedules.

(27) Sensitive business, commercial or financial information furnished to or developed by the City of Klamath Falls, acting solely in connection with the ownership and operation of the Klamath Cogeneration Project, if the information is directly related to a transaction described in ORS 225.085 and disclosure of the information would cause a competitive disadvantage for the Klamath Cogeneration Project. This subsection does not apply to cost-of-service studies used in the development or review of generally applicable rate schedules.

(28) Personally identifiable information about customers of a municipal electric utility or a people's utility district or the names, dates of birth, driver license numbers, telephone numbers, electronic mail addresses or Social Security numbers of customers who receive water, sewer or storm drain services from a public body as defined in ORS 174.109. The utility or district may release personally identifiable information about a customer, and a public body providing water, sewer or storm drain services may release the name, date of birth, driver license number, telephone number, electronic mail address or Social Security number of a customer, if the customer consents in writing or electronically, if the disclosure is necessary for the utility, district or other public body to render services to the customer, if the disclosure is required pursuant to a court order or if the disclosure is otherwise required by federal or state law. The utility, district or other public body may charge as appropriate for the costs of providing such information. The utility, district or other public body may make customer records available to third party credit agencies on a regular basis in connection with the establishment and management of customer accounts or in the event such accounts are delinquent.

(29) A record of the street and number of an employee's address submitted to a special district to obtain assistance in promoting an alternative to single occupant motor vehicle transportation.

(30) Sensitive business records, capital development plans or financial or commercial information

of Oregon Corrections Enterprises that is not customarily provided to business competitors.

(31) Documents, materials or other information submitted to the Director of the Department of Consumer and Business Services in confidence by a state, federal, foreign or international regulatory or law enforcement agency or by the National Association of Insurance Commissioners, its affiliates or subsidiaries under ORS 86A.095 to 86A.198, 697.005 to 697.095, 697.602 to 697.842, 705.137, 717.200 to 717.320, 717.900 or 717.905, ORS chapter 59, 723, 725 or 726, the Bank Act or the Insurance Code when:

(a) The document, material or other information is received upon notice or with an understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material or other information; and

(b) The director has obligated the Department of Consumer and Business Services not to disclose the document, material or other information.

(32) A county elections security plan developed and filed under ORS 254.074.

(33) Information about review or approval of programs relating to the security of:

(a) Generation, storage or conveyance of:

(A) Electricity;

(B) Gas in liquefied or gaseous form;

(C) Hazardous substances as defined in ORS 453.005 (7)(a), (b) and (d);

(D) Petroleum products;

(E) Sewage; or

(F) Water.

(b) Telecommunication systems, including cellular, wireless or radio systems.

(c) Data transmissions by whatever means provided.

(34) The information specified in ORS 25.020 (8) if the Chief Justice of the Supreme Court designates the information as confidential by rule under ORS 1.002.

(35)(a) Employer account records of the State Accident Insurance Fund Corporation.

(b) As used in this subsection, "employer account records" means all records maintained in any form that are specifically related to the account of any employer insured, previously insured or under consideration to be insured by the State Accident Insurance Fund Corporation and any information obtained or developed by the corporation in connection with providing, offering to provide or declining to provide insurance to a specific employer. "Employer account records" includes, but is not limited to, an employer's payroll records, premium payment history, payroll classifications, employee names and identification information, experience modification factors, loss experience and dividend payment history.

(c) The exemption provided by this subsection may not serve as the basis for opposition to the discovery documents in litigation pursuant to applicable rules of civil procedure.

(36)(a) Claimant files of the State Accident Insurance Fund Corporation.

(b) As used in this subsection, "claimant files" includes, but is not limited to, all records held by the corporation pertaining to a person who has made a claim, as defined in ORS 656.005, and all records pertaining to such a claim.

(c) The exemption provided by this subsection may not serve as the basis for opposition to the discovery documents in litigation pursuant to applicable rules of civil procedure.

(37) Except as authorized by ORS 408.425, records that certify or verify an individual's discharge or other separation from military service.

(38) Records of or submitted to a domestic violence service or resource center that relate to the

name or personal information of an individual who visits a center for service, including the date of service, the type of service received, referrals or contact information or personal information of a family member of the individual. As used in this subsection, "domestic violence service or resource center" means an entity, the primary purpose of which is to assist persons affected by domestic or sexual violence by providing referrals, resource information or other assistance specifically of benefit to domestic or sexual violence victims.

(39) Information reported to the Oregon Health Authority under ORS 431A.860, except as provided in ORS 431A.865 (3)(b), information disclosed by the authority under ORS 431A.865 and any information related to disclosures made by the authority under ORS 431A.865, including information identifying the recipient of the information.

(40)(a) Electronic mail addresses in the possession or custody of an agency or subdivision of the executive department, as defined in ORS 174.112, the legislative department, as defined in ORS 174.114, a local government or local service district, as defined in ORS 174.116, or a special government body, as defined in ORS 174.117.

(b) This subsection does not apply to electronic mail addresses assigned by a public body to public employees for use by the employees in the ordinary course of their employment.

(c) This subsection and ORS 244.040 do not prohibit the campaign office of the current officeholder or current candidates who have filed to run for that elective office from receiving upon request the electronic mail addresses used by the current officeholder's legislative office for newsletter distribution, except that a campaign office that receives electronic mail addresses under this paragraph may not make a further disclosure of those electronic mail addresses to any other person.

(41) Residential addresses, residential telephone numbers, personal cellular telephone numbers, personal electronic mail addresses, driver license numbers, emergency contact information, Social Security numbers, dates of birth and other telephone numbers of individuals currently or previously certified or licensed by the Department of Public Safety Standards and Training contained in the records maintained by the department.

(42) Personally identifiable information and contact information of veterans as defined in ORS 408.225 and of persons serving on active duty or as reserve members with the Armed Forces of the United States, National Guard or other reserve component that was obtained by the Department of Veterans' Affairs in the course of performing its duties and functions, including but not limited to names, residential and employment addresses, dates of birth, driver license numbers, telephone numbers, electronic mail addresses, Social Security numbers, marital status, dependents, the character of discharge from military service, military rating or rank, that the person is a veteran or has provided military service, information relating to an application for or receipt of federal or state benefits, information relating to the basis for receipt or denial of federal or state benefits and information relating to a home loan or grant application, including but not limited to financial information provided in connection with the application.

(43) Business, commercial, financial, operational and research data and information, including but not limited to pricing, intellectual property and customer records, furnished to, developed by or generated in connection with the ownership and operation of an unmanned aerial system test range, if disclosure of the information would cause a competitive disadvantage to the test range or its users.

(44) Personally identifiable information about a child under the age of 16 years that is submitted to the State Fish and Wildlife Commission or an agent of the commission to obtain a license, tag or permit under the wildlife laws.

(45) Proprietary information subject to a nondisclosure agreement that is provided to the Oregon Broadband Office pursuant to ORS 285A.176.

(46) With respect to records held by the State Treasurer relating to unclaimed properties under ORS 98.302 to 98.436:

(a) All materials or communications received during an examination under ORS 98.412 (2) and (3), except to the extent that the information in the materials or communications appears within a report under ORS 98.412 (4) or 98.352 and the information is not otherwise exempt under ORS 98.352 (4).

(b) All materials or communications assembled or used by the state or its auditor during the preparation of a report under ORS 98.412 (4), including drafts, correspondence, working papers and other preparatory documents.

(c) Information obtained during an examination under ORS 98.412 (2) and (3) concerning an unclaimed property holder's potential liability in a state other than Oregon, even if that information is included in a report under ORS 98.412 (4) or 98.352.

(d) Information in or supporting claims to unclaimed property under ORS 98.392, except to the extent that the claimant consents to the information's disclosure.

(47) Any document, record or plan for protection relating to the existence, nature, location or function of cybersecurity devices, programs or systems designed to protect computer, information technology or communications systems against threat or attack, including but not limited to:

(a) Records pertaining to devices, programs or systems that depend for their effectiveness in whole or part upon a lack of public knowledge; and

(b) Contractual records or insurance records that set forth cybersecurity specifications, insurance application and coverage details.

(48) Sensitive business, commercial or financial information, that is not customarily provided to business competitors, that is furnished to or developed by the Oregon Prescription Drug Program in connection with purchasing prescription drugs or contracting for the services of a pharmacy benefit manager or pharmacy networks pursuant to ORS 414.312.

SECTION 2. ORS 285C.105 is amended to read:

285C.105. (1) The sponsor of an enterprise zone shall:

(a) Appoint a local zone manager. Upon appointment of the local zone manager, the sponsor shall provide written notice [*thereof*] **of the appointment** to the Oregon Business Development Department, the county assessor and the Department of Revenue.

(b) [*Provide, and assist all*] **Ensure that any** authorized or qualified business [*firms in using,*] **firm is able to use or receive** enhanced local public services, local incentives [*and*] **or** local regulatory flexibility that a sponsor has elected, by policy, to provide to any [*firm seeking*] **business firm that applies for** authorization in [*that*] **the enterprise** zone after adoption of the policy.

(c) Review and approve or deny applications for authorization under ORS 285C.140.

(d) Assist the county assessor in administering the property tax exemption and in performing other duties assigned to the assessor under ORS 285C.050 to 285C.250.

(e) Maintain, implement and periodically update a plan for marketing the enterprise zone including strategies for retention, expansion[*, start-up*] and recruitment of eligible business firms**, including but not limited to start-up businesses**.

(f) Manage the enterprise zone in accordance with ORS 285C.050 to 285C.250.

(g) Identify property available for sale or lease to eligible business firms under ORS 285C.110.

(h) Prepare indices of street addresses, tax lot numbers or other information to facilitate the

identification of land inside [*of*] an urban enterprise zone. **Land that is not zoned for use by eligible business firms may be excluded.**

(i) Provide written notice to the county assessor, the Department of Revenue, the Oregon Business Development Department and any relevant publicly funded job training provider of the conditions and policies adopted or normally sought by the sponsor under ORS 285C.150, 285C.155, 285C.160**,** [*or*] 285C.203 **or 285C.205.**[*, and*]

(j) Take the actions necessary to implement and enforce the conditions and policies **referred to in paragraph (i) of this subsection** and any [*other reasonable requirements*] **additional reasonable requirement** imposed pursuant to ORS 285C.155, 285C.160 or 285C.203.

[*(j)*] **(k) Upon request of the county assessor or the Oregon Business Development Department,** conduct, or assist in conducting, annual reporting of enterprise zone activity [*or effort, if requested by the county assessor or the Oregon Business Development Department.*]**, including but not limited to reviewing and responding to:**

(A) Filings by business firms as copied to the zone sponsor or as may be anticipated under ORS 285C.220; or

(B) Drafts of the written report to be submitted by the county assessor under ORS 285C.130.

(2) If more than one city, county or port sponsors an enterprise zone, the jurisdictions shall act jointly in performing the duties imposed on a sponsor under ORS 285C.050 to 285C.250.

SECTION 3. ORS 285C.125 is amended to read:

285C.125. For the purposes of ORS 285C.050 to 285C.250, the Department of Revenue shall:

(1) Adopt any rules the Department of Revenue considers necessary to implement ORS 285C.125, 285C.130, 285C.140, 285C.145, 285C.165, 285C.175, 285C.180, 285C.185, 285C.190, 285C.220, 285C.225, 285C.230, 285C.235 and 285C.240.

(2) Assist the Oregon Business Development Department, county assessors and the sponsors of enterprise zones in their efforts to authorize or qualify eligible business firms.

(3) Assist an eligible business firm proposing to do business within an enterprise zone or doing business within an enterprise zone to obtain the benefits of applicable tax incentive or inducement programs administered or supervised by the Department of Revenue.

(4) Issue and print forms and worksheets to be used by business firms to make authorization applications or exemption claims.

(5) In consultation with the Oregon Business Development Department, county assessors and local zone managers, prescribe the form of the written report required to be submitted by county assessors under ORS 285C.130.

(6) Upon request of the county assessor, provide training or advice on how the written report required under ORS 285C.130 is to be completed.

(7) Upon request, assist the Oregon Business Development Department in resolving discrepancies in exempt-property data in the written report submitted to the Department of Revenue by county assessors under ORS 285C.130 as it relates to the property tax account of state-appraised industrial property. Discrepancies may include but are not limited to changes from prior reports in the existence of an exemption in any property tax year or a substantial change in the amount of exempt value. Assistance shall be limited to technical expertise and existing information and shall not require reappraisal of the property tax account by the Department of Revenue.

SECTION 4. ORS 285C.130 is amended to read:

285C.130. The assessor of a county within which an enterprise zone is located shall:

(1) Assist the sponsor, the local zone manager appointed by the sponsor and business firms in determining whether property will qualify for a property tax exemption under ORS 285C.175.

(2) Review and approve or deny applications from eligible business firms for authorization under ORS 285C.140.

(3) Process claims for property tax exemptions filed under ORS 285C.220 and exempt the qualified property of authorized business firms from ad valorem property taxation in accordance with ORS 285C.050 to 285C.250.

(4) Take action necessary under ORS 285C.240.

(5) Submit a written report to the Department of Revenue on or before July 1 of each assessment year. The report for each enterprise zone, or portion of [*a*] **an enterprise** zone that is located in the county, shall include the following information, organized by business firm **and exemption period**:

(a) The assessor's estimate of the assessed value of qualified property that was exempt under ORS 285C.175 for the previous tax year and the taxes that would have been imposed on the qualified property, as entered on the assessment and tax roll under ORS 285C.175 (7).

(b) The annual average number of employees of the **business** firm within the enterprise zone during the previous assessment year, as reported on the exemption claim filed under ORS 285C.220.

(c) The [*annual*] average **annual wage and** compensation for the previous assessment year of new employees hired by the **business** firm within the enterprise zone, [*if the firm is subject to the annual compensation requirements of ORS 285C.160 (3),*] as reported on the exemption claim filed under ORS 285C.220.

[*(d) The assessor's estimate of the assessed value, for the current tax year, of qualified property that was exempt under ORS 285C.175 for the previous tax year and that is not exempt under ORS 285C.175 for the current tax year.*]

(d) The assessor's estimate of the assessed value of and taxes imposed on qualified property that had been exempt under ORS 285C.175 for the tax year preceding the previous tax year and that was not exempt under ORS 285C.175 for the previous tax year.

(e) The total investment cost of qualified property first reported on the exemption claim filed under ORS 285C.220 that includes a property schedule submitted by the business firm pursuant to ORS 285C.225 for the current tax year.

(f) The current number of employees of the **business** firm, as reported on the exemption claim filed under ORS 285C.220 and described in paragraph (e) of this subsection.

(g) Any other information the assessor or the Department of Revenue considers appropriate.

(6)**(a)** Send a copy of a report prepared under subsection (5) of this section to the sponsor of the enterprise zone and to the Oregon Business Development Department[.]**; and**

(b) Upon request, assist the Department of Revenue or the Oregon Business Development Department in clarifying data relating to exempt property in the written report, including but not limited to changes from prior years' reports, such as the grant of an exemption for any property tax year or a substantial change in the amount of exempt value. Such assistance shall be limited to technical expertise and existing information and shall not require reappraisal of any property tax account by the county assessor.

SECTION 5. ORS 285C.145 is amended to read:

285C.145. (1) The Legislative Assembly finds that the standard procedure for authorization in an enterprise zone inappropriately deters development or redevelopment of qualified buildings on speculation for subsequent sale or lease to eligible business firms.

(2) Notwithstanding ORS 285C.140 (1), a new building or structure or an addition to or modification of an existing building or structure may qualify for the exemption allowed under ORS 285C.175 if the qualified property is leased or sold by an unrelated party to one or more authorized business firms after commencement of the construction, addition or modification but prior to use or occupancy of the qualified property.

(3) A business firm may not be considered authorized and is not qualified for the exemption allowed under ORS 285C.175 if the county assessor discovers prior to initially granting the exemption that the application for authorization was not submitted by the business firm in a timely manner in accordance with ORS 285C.140, except as allowed under subsection (2) of this section or ORS 285C.140 (11) and (12).

(4)**(a)** Records, communications or **supporting** information submitted to a public body by a business firm for purposes of ORS 285C.050 to 285C.250 **or 285C.400 to 285C.420 are exempt from disclosure under ORS 192.311 to 192.478 if the records, communications or supporting information:**

(A) [*that*] Identify [*a*] particular [*qualified property*] **items of real property machinery and equipment or personal property;**[,]

(B) [*that*] Reveal investment plans prior to authorization **or certification;**[,]

(C) [*that*] Include the compensation **or wages** the **business** firm provides to firm employees**;**[,]

(D) [*that*] Are described in ORS 192.355 (17)**;** or

(E) [*that*] Are submitted under ORS 285C.225 or 285C.235 [*are exempt from disclosure under ORS 192.311 to 192.478 and, as appropriate, shall*]**.**

(b) Records, communications or supporting information described in paragraph (a) of this subsection may be shared among the county assessor, the zone sponsor, the Department of Revenue and the Oregon Business Development Department**, as appropriate, without affecting the exemption from disclosure under this subsection**.

SECTION 6. ORS 285C.409 is amended to read:

285C.409. (1) A facility of a certified business firm is exempt from ad valorem property taxation:

(a) For the first tax year following the calendar year in which the business firm is certified under ORS 285C.403 or after which construction or reconstruction of the facility commences, whichever [*event*] occurs later;

(b) For each subsequent tax year in which the facility is not yet in service as of the assessment date; and

(c) For a period of at least seven consecutive tax years but not more than 15 consecutive tax years, as provided in the written agreement between the business firm and the rural enterprise zone sponsor under ORS 285C.403 (3)(c), [*if the facility satisfies*] **subject to** the requirements of ORS 285C.412. The period described in this paragraph shall commence as of the first tax year in which the facility is in service as of the assessment date.

(2) An exemption under this section may not be allowed for real or personal property that has received a property tax exemption under ORS 285C.170**,** [*or*] 285C.175**, 307.123 or 307.330**.

(3) For each tax year that the facility is exempt from taxation under this section, the county assessor shall:

(a) Enter on the assessment and tax roll, as a notation, the real market value and assessed value of the facility **as if the facility were not exempt**.

(b) Enter on the assessment and tax roll, as a notation, the amount of tax that would be due if the facility were not exempt.

(c) Indicate on the assessment and tax roll that the property is exempt and is subject to potential additional taxes as provided in ORS 285C.420 by adding the notation "enterprise zone exemption (potential additional tax)."

(4) [*The amount determined under subsection (3)(b) of this section and the name of the business firm shall be reported to the Department of Revenue on or before December 31 of each tax year so that the department may compute the distributions described in ORS 317.131.*] **On or before December 31 of each tax year, the county assessor shall report the values and amount entered on the assessment and tax roll under subsection (3)(a) and (b) of this section, with the name of the certified business firm, facility location and status of exemption under subsection (1) of this section, to the Department of Revenue, the Oregon Business Development Department and the zone sponsor for purposes that include, but are not limited to, the Department of Revenue's computation of distributions described in ORS 317.131.**

(5) The following property [*may not be exempt*] **is not eligible for exemption** from property taxation under this section:

(a) Land.

(b) Any property that existed at the facility on an assessment date before the assessment date for the first tax year for which property of the **business** firm is exempt under this section.

SECTION 7. ORS 285C.415 is amended to read:

285C.415. [*Upon meeting the applicable requirements of ORS 285C.412, the certified business firm shall notify the county assessor in writing that the applicable requirements have been met.*]

(1) A certified business firm that has failed to satisfy an applicable requirement under ORS 285C.412 as of the deadline for meeting the requirement shall notify the county assessor and zone sponsor in writing of the failure as soon as practicable after the deadline.

(2)(a) A certified business firm that has satisfied an applicable requirement under ORS 285C.412 shall notify the county assessor and zone sponsor in writing of the satisfaction.

(b)(A) The notice must include information related to the certified business firm's satisfaction of the requirement.

(B) The first notice must include, at a minimum, the total cost incurred by the certified business firm for investment in the facility as of the end of the calendar year in which the facility is placed in service.

(c) Notice shall be made on the earlier of the date on which the requirement is met or the date that is the deadline for meeting the requirement.

(3)(a) For each tax year for which a facility is exempt under ORS 285C.409 (1)(c), the certified business firm shall submit to the zone sponsor, exclusive of any other facility:

(A) The number of full-time employees at the facility; and

(B) The average annual wage and compensation of all employees at the facility.

(b)(A) If the certified business firm fails to comply with paragraph (a) of this subsection, the zone sponsor shall so notify the county assessor in writing.

(B) Failure to comply with paragraph (a) of this subsection constitutes a basis for disqualification under ORS 285C.420.

(4) The zone sponsor shall submit an annual report to the county assessor, the Department of Revenue and the Oregon Business Development Department setting forth for each facility of a certified business firm located in the enterprise zone that is exempt under ORS 285C.409 (1)(c):

(a) The number of new and existing full-time employees at the facility;

(b) The average wage and compensation of all employees at the facility; and

(c) The amount of any payment in cash made by a certified business firm as a result of any additional requirement included in the written agreement under ORS 285C.403 (4)(c).

(5) Upon request of the Oregon Business Development Department or the Department of Revenue, the county assessor or zone sponsor shall send to the requesting department the notice required under subsection (2) of this section and clarify or confirm information submitted under subsection (4) of this section or reported under ORS 285C.409 (4).

(6)(a) The Oregon Business Development Department may specify by rule the manner and timing of submissions from a certified business firm and the zone sponsor as required under this section.

(b) The department shall specify by rule a minimum notice and cure period of at least 30 days during which a certified business firm may cure any circumstances that could result in disqualification for failure to file a report pursuant to this section.

SECTION 8. ORS 285C.420 is amended to read:

285C.420. (1) If a certified business firm does not begin operations or is not reasonably expected to begin operations, as determined by the county assessor consistent with criteria established by rule of the Department of Revenue, or fails to meet the minimum requirements set forth in ORS 285C.412 **or the requirements under ORS 285C.415 (3)(a)**, while receiving an exemption under ORS 285C.409 **(1)(c)**, the assessor shall, as of the next tax year, disqualify the property from the exemption.

(2)(a) If a certified business firm that has achieved the minimum applicable full-time hiring requirements and annual average wage requirements at a facility under ORS 285C.412 subsequently fails to maintain the applicable minimum number of full-time employees or the minimum annual average compensation level at the facility, the assessor shall disqualify the facility from exemption under ORS 285C.409.

(b) This subsection does not apply if the decrease in hiring or in annual average compensation is caused by circumstances beyond the control of the business firm, including force majeure.

(3) Upon disqualification, there shall be added to the tax extended against the property on the next general property tax roll, to be collected and distributed in the same manner as the remainder of ad valorem property taxes, an amount equal to the taxes that would otherwise have been assessed against the property and improvements for each of the tax years for which the property was exempt under ORS 285C.409.

(4) The additional taxes described in this section shall be deemed assessed and imposed in the year to which the additional taxes relate.

SECTION 9. ORS 285C.615 is amended to read:

285C.615. (1) On or before April 1 [*following*] **of** each tax year that property is exempt under ORS 307.123, the business firm that owns or leases the [*exempt*] property shall submit a report to the Oregon Business Development Department, in addition to any other reporting or filing requirement.

(2) The report shall be in a form prescribed by the Oregon Business Development Department and shall include:

(a) The **real market value,** assessed value and location of taxable and exempt property constituting the eligible project and the corresponding payment and savings of property taxes for the tax year, as ascertained from the county assessor;

(b) The amount and disposition of fees and other amounts paid by the business firm pursuant to

the agreement with the county under ORS 285C.609 **or 285C.623** in the immediately preceding calendar year;

(c) The average number of persons hired or employed by the business firm in association with the eligible project, determined by dividing the total number of hours for which such hired or employed persons were paid during the [*immediate prior*] **immediately preceding** calendar year by 2,080;

(d) The annual amount of taxable income and total compensation paid to employees as described in paragraph (c) of this subsection;

(e) [*Numbers and amounts as described in*] **Such information required under** paragraphs (c) and (d) of this subsection [*for*] **as is necessary to compute the number of** retained jobs and newly created jobs for the eligible project; [*and*]

(f) The total cost of investment in property constituting the eligible project during, and cumulatively up to and including, the immediately preceding calendar year; and

[*(f)*] **(g)** Any other information required by the department.

(3)(a) If a business firm fails to provide a report required under this section or to verify information as requested by the Oregon Business Development Department, the Oregon Business Development Commission, upon recommendation by the department, may suspend the determination of the commission that the project receive the tax exemption provided for in ORS 307.123.

(b) If the commission suspends the determination of eligibility under this subsection, the exemption is revoked as provided in ORS 307.123 (7), until the department receives the report.

(c) Upon receipt of a report required under this section or the information requested by the department, the department shall notify the commission and the commission shall rescind the suspension under this subsection.

(4) Information collected under this section may be used by the Oregon Business Development Department to make [*aggregate*] figures and analyses of activity under the strategic investment program publicly available.

(5) Specific data concerning the financial performance of individual firms collected under this section is exempt from public disclosure under ORS chapter 192.

(6) After receiving the reports required under this section, the Oregon Business Development Department shall compile and organize the reported information for purposes of ORS 285C.635 and transmit it to the Oregon Department of Administrative Services. The Oregon Business Development Department shall transmit the information not later than April [*15*] **30**.

(7) The Oregon Business Development Department shall adopt rules the department considers necessary to administer ORS 285C.600 to 285C.635.

SECTION 10. For the first report required to be submitted under ORS 285C.615 after the effective date of this 2025 Act, the business firm shall submit one version of the report based on ORS 285C.615 as amended by section 9 of this 2025 Act and another version of the report based on ORS 285C.615 as in effect immediately before the effective date of this 2025 Act.

SECTION 11. ORS 285C.635 is amended to read:

285C.635. (1)(a) Upon receipt of information compiled under ORS 285C.615, the Oregon Department of Administrative Services shall determine the annual amount of personal income tax revenue attributable to retained jobs and newly created jobs for each eligible project for which an eligible business firm received a property tax exemption under ORS 307.123.

(b) The amount of personal income tax revenue attributable to each eligible project under this subsection may not include personal income tax revenue attributable to the estimated incremental

income tax revenues generated by an eligible employer in connection with a tax reimbursement arrangement or loan agreement that has been entered into under the Oregon Industrial Site Readiness Program established by ORS 285B.627.

(c) In determining the amount of personal income tax revenue attributable to each eligible project, the Oregon Department of Administrative Services may rely on reasonable techniques of estimation, if appropriate.

(2) Not later than [*May 15*] **June 1** of each fiscal year, the Oregon Department of Administrative Services shall certify to the Department of Revenue, the Legislative Revenue Officer and the Legislative Fiscal Officer the amounts determined under subsection (1) of this section and the amounts described in subsection (3) of this section to be distributed by the Department of Revenue.

(3)(a) Not sooner than July 10 and not later than July 15 of the fiscal year immediately following the fiscal year in which the certification under subsection (2) of this section is made, the Department of Revenue shall distribute to each county in which an eligible project is located an amount equal to the total of:

(A) Twenty percent of the total annual amount of personal income tax revenue attributable to retained jobs for all eligible projects in the county as determined under subsection (1) of this section; and

(B) Fifty percent of the total annual amount of personal income tax revenue attributable to newly created jobs for all eligible projects in the county as determined under subsection (1) of this section.

(b) Notwithstanding paragraph (a) of this subsection, a county may not receive a distribution under this section in an amount greater than $16 million for any year.

(c) The county shall distribute the amounts received under paragraphs (a) and (b) of this subsection to the taxing districts in the county in which an eligible project is located in a manner consistent with the distribution of the community services fee under ORS 285C.609 for the project.

(4) The Department of Revenue shall retain unreceipted revenue from the tax imposed under ORS chapter 316 in an amount necessary to make the distributions required under subsection (3) of this section. The department shall make the distributions out of the unreceipted revenue in lieu of paying the revenue over to the State Treasurer for deposit in the General Fund.

(5) The Oregon Department of Administrative Services shall adopt rules necessary to administer this section.

SECTION 12. ORS 308.290 is amended to read:

308.290. (1)(a) Except as provided in paragraph (b) of this subsection, every person and the managing agent or officer of any business, firm, corporation or association owning, or having in possession or under control taxable personal property shall make a return of the property for ad valorem tax purposes to the assessor of the county in which the property has its situs for taxation. As between a mortgagor and mortgagee or a lessor and lessee, however, the actual owner and the person in possession may agree between them as to who shall make the return and pay the tax, and the election shall be followed by the person in possession of the roll who has notice of the election. Upon the failure of either party to file a personal property tax return on or before March 15 of any year, both parties shall be jointly and severally subject to the provisions of ORS 308.296.

(b) The requirement to file a return under paragraph (a) of this subsection does not apply to:

(A) Personal property exempt from taxation under ORS 307.162.

(B) Manufactured structures classified as personal property under ORS 308.875.

(C) Residential floating structures, if no new property or new improvements, as defined in ORS

308.149, have been added to the floating structures since the prior January 1.

(2) Every person and the managing agent or officer of any business, firm, corporation or association owning or in possession of taxable real property shall make a return of the property for ad valorem tax purposes when so requested by the assessor of the county in which the property is situated.

(3)(a) Each return of personal property shall contain a full listing of the property and a statement of its real market value, including a separate listing of those items claimed to be exempt as imports or exports. Each statement shall contain a listing of the additions or retirements made since the prior January 1, indicating the book cost and the date of acquisition or retirement. Each return shall contain the name, assumed business name, if any, and address of the owner of the personal property and, if it is a partnership, the name and address of each general partner or, if it is a corporation, the name and address of its registered agent.

(b) Each return of real property shall contain a full listing of the several items or parts of the property specified by the county assessor and a statement exhibiting their real market value. Each return shall contain a listing of the additions and retirements made during the year indicating the book cost, book value of the additions and retirements or the appraised real market value of retirements as specified in the return by the assessor.

(c) There shall be annexed to each return the affidavit or affirmation of the person making the return that the statements contained in the return are true. All returns shall be in a form that the county assessor, with the approval of the Department of Revenue, may prescribe.

(4) All returns shall be filed on or before March 15 of each year.

(5)(a) In lieu of the returns required under subsection (1)(a) or (2) of this section, every person and the managing agent or officer of any business, firm, corporation or association owning or having in possession or under control taxable real and personal property that is state-appraised industrial property as defined in ORS 306.126 shall file a combined return of the real and personal property with the Department of Revenue.

(b) The contents and form of the return shall be as prescribed by rule of the department. Any form shall comply with ORS 308.297. Notwithstanding ORS 308.875, a manufactured structure that is a part of a state-appraised industrial property shall be included in a combined return.

(c) In order that the county assessor may comply with ORS 308.295, the department shall provide a list to the assessor of all combined returns that are required to be filed with the department under this subsection but that were not filed on or before the due date.

(d) If the department has delegated appraisal of the state-appraised industrial property to the county assessor under ORS 306.126 (3), the department shall notify the person otherwise required to file the combined return under this subsection as soon as practicable after the delegation that the combined return is required to be filed with the assessor.

(e) Notwithstanding subsection (2) of this section, a combined return of real and personal property that is state-appraised industrial property shall be filed with the department on or before March 15 of each year.

(6) A return is not in any respect controlling on the county assessor or on the Department of Revenue in the assessment of any property. On any failure to file the required return, the property shall be listed and assessed from the best information obtainable from other sources.

(7)(a) All returns filed under the provisions of this section and ORS 308.525 and 308.810 are confidential records of the Department of Revenue or the county assessor's office in which the returns are filed or of the office to which the returns are forwarded under paragraph (b) of this sub-

section.

(b) The assessor or the department may forward any return received in error to the department or the county official responsible for appraising the property described in the return.

(c) Notwithstanding paragraph (a) of this subsection, a return described in paragraph (a) of this subsection may be disclosed to:

(A) The Department of Revenue or its representative;

(B) The representatives of the Secretary of State or to an accountant engaged by a county under ORS 297.405 to 297.555 for the purpose of auditing the county's personal property tax assessment roll (including adjustments to returns made by the Department of Revenue);

(C) The county assessor, the county tax collector, the assessor's representative or the tax collector's representative for the purpose of:

(i) Collecting delinquent real or personal property taxes; or

(ii) Correctly reflecting on the tax roll information reported on returns filed by a business operating in more than one county or transferring property between counties in this state during the tax year;

(D) Any reviewing authority to the extent the return being disclosed relates to an appeal brought by a taxpayer;

(E) The Division of Child Support of the Department of Justice or a district attorney to the extent the return being disclosed relates to a case for which the Division of Child Support or the district attorney is providing support enforcement services under ORS 25.080; or

(F) The Legislative Revenue Officer for the purpose of preparation of reports, estimates and analyses required by ORS 173.800 to 173.850.

(d) Notwithstanding paragraph (a) of this subsection:

(A) The Department of Revenue may exchange property tax information with the authorized agents of the federal government and the several states on a reciprocal basis, or with county assessors, county tax collectors or authorized representatives of assessors or tax collectors.

(B) Information regarding the valuation of leased property reported on a property return filed by a lessor under this section may be disclosed to the lessee or other person in possession of the property. Information regarding the valuation of leased property reported on a property return filed by a lessee under this section may be disclosed to the lessor of the property.

(C) Information regarding the valuation of state-appraised industrial property exempt under ORS chapter 285C or ORS 307.123 may be provided upon request to the Oregon Business Development Department.

(8) If the assessed value of any personal property in possession of a lessee is less than the maximum amount described in ORS 308.250 (2)(a), the person in possession of the roll may disregard an election made under subsection (1)(a) of this section and assess the owner or lessor of the property.

(9) As used in this section:

(a) "Commercial floating structure" means a floating structure that is used exclusively for the production of income or for commercial purposes.

(b) "Floating structure" means any structure supported on water by a flotation system that is secured to a pier, pilings, walkway or ramp.

(c)(A) "Residential floating structure" means a floating structure that is for noncommercial residential use.

(B) "Residential floating structure" includes, but is not limited to, floating homes, boathouses

and tenders.

(d) "Taxable personal property" includes, but is not limited to, commercial floating structures.

SECTION 13. (1) For purposes of ORS 308.290 (7)(d)(C) and the sharing of information to enhance the Oregon Business Development Department's ability to track and report on business firms and their general property under property tax incentive programs, the Director of the Department of Revenue and the Director of the Oregon Business Development Department shall enter into an interagency agreement within 90 days following the effective date of this 2025 Act.

(2) The terms of the agreement may include but are not limited to:

(a) The nature and frequency of requests for information;

(b) Secure transmittal of information;

(c) The Oregon Business Development Department's responsibility for the security of taxpayer information; and

(d) Similar matters and contingencies.

(3) At the discretion of the parties, the agreement may also address cooperation on other elements of the amendments to ORS 192.355, 285C.105, 285C.125, 285C.130, 285C.145, 285C.409, 285C.415, 285C.420, 285C.615, 285C.635 and 308.290 by sections 1 to 9, 11 and 12 of this 2025 Act and on plans to improve the quality and consistency of methods for estimating the tax effects for property generally subject to exemption.

SECTION 14. Section 13 of this 2025 Act is repealed on January 2, 2027.

SECTION 15. This 2025 Act takes effect on the 91st day after the date on which the 2025 regular session of the Eighty-third Legislative Assembly adjourns sine die.