

A-Engrossed House Bill 2725

Ordered by the House June 16
Including House Amendments dated June 16

Sponsored by Representative PHAM H, Senator SOLLMAN; Representatives LIVELY, MCLAIN, SOSA, WALLAN, Senators MEEK, REYNOLDS (Presession filed.)

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 limit the kind of port district that must be a party to a contract in the strategic investment program. (Flesch Readability Score: 65.2).

Limits the kind of port districts that are required to be involved in strategic investment program agreements with respect to eligible projects that are located in the port district's territory.

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

A BILL FOR AN ACT

Relating to the inclusion of ports in strategic investment program agreements; creating new provisions; amending ORS 285C.600 and 285C.609; and prescribing an effective date.

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

SECTION 1. ORS 285C.609 is amended to read:

285C.609. (1) A determination under ORS 285C.606 (1) by the Oregon Business Development Commission that a project shall be exempt from property taxation under ORS 307.123 must be requested by official action of the governing body of the county **in which the proposed eligible project will be located**, taken at a regular or duly called special meeting *[thereof]* **of the governing body. The request shall require approval** by the affirmative vote of a majority of *[its]* **the members of the governing body.**

(2) The governing body of *[any Oregon]* **a** county shall forward *[appropriate prospective]* **approved** eligible projects to the Oregon Business Development Department for processing.

(3) For purposes of this section, for projects located on a federally recognized Oregon Indian reservation, the governing body of a county shall be considered *[to be]* the governing body of the federally recognized Oregon Indian tribe.

(4) The county may not make the request under subsection (1) of this section unless, after a public hearing:

(a) The county and, if the proposed eligible project will be located within the boundaries of a city or **affected** port, the city or **affected** port have entered into an agreement with the business firm, as described in this subsection. The Oregon Business Development Department shall make available, in a timely manner, training materials related to negotiation techniques in such circumstances to the county, city or **affected** port, as applicable.

(b) The agreement provides for the payment of a fee by the business firm, as follows:

(A) The fee shall be for community services support that relates to the direct impact of the eligible project on public services.

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.

(B) The fee shall be in an amount equal to 25 percent of the property taxes that would, but for the exemption, be due on the exempt property in each assessment year, but not exceeding \$3 million in any year.

(C) The fee shall be paid annually during the tax exemption period, as of a date set forth in the agreement.

(c) The agreement provides for the refunding or crediting of overpayments, for interest on late payments or underpayments and for the manner in which the appeal of the assessed value of the property included in the project will affect the fee.

(5) The maximum fee amount allowed under subsection (4)(b) of this section shall be adjusted each year for the property tax year beginning on July 1 by multiplying \$3 million by the ratio of the increase, if any, in the monthly averaged Consumer Price Index for All Urban Consumers, West Region, for the 12 consecutive months ending December 31 of the prior calendar year over the monthly averaged index for the 12 consecutive months ending December 31, 2023. The amount of any increase determined under this subsection shall be rounded to the nearest multiple of \$1,000.

(6) The agreement described in subsection (4) of this section may provide for any other requirements related to the project.

(7)(a) The fee collected under subsection (4)(b) of this section shall be distributed by the county based on an agreement. The agreement is effective only if the following public bodies have entered into the agreement:

(A) The county and the city or **affected** port, if any, in which the eligible project is located;

(B) All special districts in the code area in which the eligible project is located that provide services related to public safety, fire prevention and response, ambulance or other emergency medical response or emergency communications; and

(C) Local taxing districts listed in ORS 198.010 or 198.180, other than **affected** ports, that constitute at least 75 percent of the property tax authority of all local taxing districts listed in ORS 198.010 or 198.180, other than **affected** ports, in the code area in which the eligible project is located.

(b) If an effective agreement is not entered into under paragraph (a) of this subsection within three months after the date of the determination by the commission under ORS 285C.606 (1), the commission shall, by official action, establish a formula for distributing the fee collected under subsection (4)(b) of this section.

SECTION 2. ORS 285C.600 is amended to read:

285C.600. As used in ORS 285C.600 to 285C.635:

(1) **“Affected port” means:**

(a) **A port district located east of the westernmost dam on the Columbia River; or**

(b) **A port district that owns land on which any part of a proposed eligible project will be located.**

[(1)] (2) **“Business firm”** has the meaning given that term in ORS 285C.050.

[(2)] (3) **“Consumer Price Index for All Urban Consumers, West Region”** means the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor.

[(3)] (4) **“Eligible project”** means a project that meets criteria established by the Oregon Business Development Commission to be exempt from property taxation under ORS 307.123.

[(4)] (5) **“First-source hiring agreement”** has the meaning given that term in ORS 285C.050.

[(5)] (6) **“Newly created jobs”** means, for an eligible project, total jobs less retained jobs.

1 [(6)] (7) “Publicly funded job training provider” has the meaning given that term in ORS
2 285C.050.

3 [(7)] (8) “Rural area” means an area located entirely outside of the urban growth boundary of
4 a city with a population of 40,000 or more, as the urban growth boundary is acknowledged on the
5 date on which an applicant submits an application, pursuant to rules adopted by the Oregon Busi-
6 ness Development Department, for property tax exemption under ORS 307.123.

7 [(8)] (9) “Strategic investment zone” means a geographic area established under ORS 285C.623,
8 within which the property of eligible projects may be exempt from property taxation under ORS
9 307.123.

10 **SECTION 3. The amendments to ORS 285C.600 and 285C.609 by sections 1 and 2 of this**
11 **2025 Act apply to requests made under ORS 285C.609 on or after the effective date of this**
12 **2025 Act.**

13 **SECTION 4. This 2025 Act takes effect on the 91st day after the date on which the 2025**
14 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**
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