

## **HB 4084 -1, -4 STAFF MEASURE SUMMARY**

### **House Committee On Economic Development, Small Business, and Trade**

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**Sub-Referral To:** House Committee On Revenue

**Meeting Dates:** 2/4, 2/9

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

The measure creates a Joint Permitting Council to administer a fast track permitting program. The measure requires state agencies to publish a comprehensive catalogue of available permits and to report to the legislature on permitting delays, opportunities to expedite procedures and issue refunds for permitting delays. The measure also modifies and expands eligibility for participation in Oregon's Free Enterprise Zones. The measure appropriates \$40 million for site development through the Oregon Business Development Department's existing Industrial Site Loan Fund. The measure takes effect on the 91st day following adjournment sine die.

#### Detailed Summary:

##### **Joint Permitting Council**

- Establishes the Joint Permitting Council (Council) comprised of state agency representatives
- Directs the Governor to appoint members, one from each designated agency, to four-year terms by July 1, 2026
- Directs the Council to administer a fast track permitting program to expedite regulatory approval from state agencies subject to designated criteria

##### **Fast Track Permitting Program**

- Establishes tiered, capital investment thresholds to participate:
  - \$150 million for a project within a metro area's urban growth boundary,
  - \$100 million for a project neither in an urban growth boundary nor a nonurban county,
  - \$50 million for a project in a nonurban county, as defined by ORS 653.026
- Designates eligibility criteria, including the involvement of two state agencies, economic growth in target industries, site readiness, land use compatibility, and preapplication consultation
- Establishes a multistep eligibility and approval process with gubernatorial, Regional Solutions Program, and Council review
- Requires designation of a lead agency to provide monthly updates on each project
- Sets program limit of 15 fast-track projects
- Requires the Council to provide an annual report to the Governor and Department of Administrative Services on fast-track projects

##### **Agency Permitting Accountability**

- Directs agencies to publish a comprehensive catalogue of available permits within 120 days of the measure's effective date, including data on backlogs, methodology, opportunities to streamline approvals and eliminate obstacles
- Directs agencies within same 120 days to report to the legislature on permitting delays, opportunities to expedite permitting, applicants' feedback, and fee relief for delayed permits

##### **Enterprise Zone Reform**

- Modifies criteria for Enterprise Zones, directing the Oregon Business Development Department (Business Oregon) to designate zones based upon an area's:

- Economic transition, such as a loss of major employers,
- Underutilized industrial land,
- Economic goals adopted in a public planning process,
- Emerging industry opportunities, or
- Community-defined economic need or potential
- Expands eligibility to include a business in an Enterprise Zone engaged in an identified priority industry
- Allows an otherwise ineligible business operating in an Enterprise Zone to qualify pursuant to a zone sponsor's request and Business Oregon's review if the business provides substantial community benefit, innovation, or advances economic development goals
- Allows businesses to seek tax exemption for up to 5 additional tax years, for a total of 10 years
- Allows further extension pursuant to Business Oregon rules, criteria, and approval
- Allows businesses to satisfy employment requirements through flexible hiring timelines pursuant to clear, written agreement with a zone sponsor

**Industrial Site Loan Fund Appropriation**

- Appropriates \$40 million from the General Fund for industrial site preparation

**ISSUES DISCUSSED:**

- Oregon's business climate
- Agency accountability
- Competition with other states
- Capital investment thresholds for fast track permitting

**EFFECT OF AMENDMENT:**

-1 The amendment changes the makeup of the Joint Permitting Council, adding economic development representatives. The amendment streamlines the fast-track approval process. The amendment requires permitting agencies to produce information on incomplete applications received. The amendment directs agencies to report to the Governor instead of the legislature on permitting delays, opportunities to expedite permitting, applicants' feedback, and fee relief for delayed permits. The measure further elaborates on the criteria for establishing Free Enterprise Zones. The amendment allows businesses to seek tax exemption for up to 2 additional tax years (instead of 5), for a total of 7 years, with possible further extensions from Business Oregon. The amendment grants businesses additional flexibility in satisfying Free Enterprise Zone employment requirements.

-4 The amendment changes the makeup of the Joint Permitting Council, adding economic development representatives, and streamlines the fast-track approval process. The amendment lowers the capital eligibility thresholds of the fast track permitting program to \$100 million (urban), \$50 million (non-urban, non-rural), and \$25 million (rural). The amendment clarifies fast-track eligibility to include projects requiring multiple permits, even if they are from a single state agency. The amendment directs the Council to apply shorter permitting timelines than existing timelines and to incorporate agency feedback to further expedite permitting processes.

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FISCAL: Fiscal impact issued

REVENUE: Revenue impact issued

**BACKGROUND:**

**Fast Track Permitting**

Business Oregon has a [strategic goal](#) to “[s]treamline land use, zoning, and permitting processes.”

The Governor’s Office modeled the [proposed Fast Track Permitting Program](#) on the federal FAST-41 Program and comparable programs in Pennsylvania, Maryland, and Michigan. Office of Oregon Governor. “[FAST-41](#) is a legislatively established process for improving federal agency coordination and timeliness of environmental reviews for infrastructure projects.” As another example, “[t]he [PA Permit Fast Track Program](#) streamlines permitting for high-impact economic development and infrastructure projects in Pennsylvania that require multiple permits from different Commonwealth agencies.” [Oregon’s Regional Solutions Program](#) coordinates the public, private and civic sectors to advance projects, solve problems, seize opportunities, and respond to local needs.

**Free Enterprise Zones**

Oregon’s Free Enterprise Program was enacted in 1985 with target property tax exemptions. Enterprise Zones are sponsored and administered by local governments with Business Oregon assisting and supervising local sponsors. [The local sponsor appoints a local zone manager to administer zone operations and coordinate with Business Oregon, businesses, and the county assessor.](#)

“Oregon’s [Enterprise Zones](#) primarily incentivize new business investments by abating all local property tax for a certain number of years . . . . [A]n enterprise zone typically serves as a focal point for local development efforts. There are currently 73 enterprise zones creating better opportunities for business and employment across Oregon: 55 rural and 18 urban.”

**Industrial Site Loan Fund**

There is a shortage of market-ready industrial lands in Oregon, and public and private owners of industrial land have limited financial tools to develop it for traded sector industrial use. In response, [House Bill 2411](#) (2025) created the Industrial Site Loan Fund, administered by Business Oregon, and [Senate Bill 5531](#) (2025), Section 11, dedicated \$10 million in lottery bond proceeds for initial funding in early 2027. Pursuant to specified criteria and limits, HB 2411 authorizes Business Oregon to provide financial assistance to project sponsors for development and planning projects related to industrial land development. HB 2411 allows Business Oregon to provide a loan or purchase bonds for development projects, to provide forgivable loans for planning projects, to purchase goods or services on behalf of the project sponsor, and to finance guaranty agreements.