

HB 4084 A -A5 STAFF MEASURE SUMMARY

House Committee On Revenue

Prepared By: Beau Olen, Economist

Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/16

WHAT THE MEASURE DOES:

Establishes Joint Permitting Council in Governor Office. Requires council administer fast track permitting program. Requires qualifying projects make certain capital investments and advance job creation or growth in gross domestic product through targeted industry cluster. Caps concurrently approved projects at 15. Requires certain state agencies publish one-time catalog of certain permits issued by agency relating to economic development projects. Requires such state agencies report on opportunities to streamline permit processes and provide fee relief. Removes certain requirements for standard enterprise zone designation and requires zone sponsors demonstrate need for economic development in area. Expands potentially eligible business firms to priority industries identified by zone sponsor resolution. Expands, upon written request of zone sponsor, potentially eligible business firms to firms engaged in sales for household use, retail sales, or operating fulfillment center. Expands additional exemption period after year three, from fourth or fifth year, to a longer period if certain criteria are met. Allows zone sponsor and eligible business firm to agree to flexible hiring timelines if firm will meet employment or alternative criteria during exemption period. Appropriates \$40 million of general fund for OBDD to deposit in Industrial Site Loan Fund for 2025-27 biennium. Takes effect 91 days after sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-A5 Limits expansion of additional exemption period after year three, from unlimited, to 10 years.

BACKGROUND:

Under the standard enterprise zone exemption, qualified real and personal property owned or leased and newly placed into service by an eligible business firm in a designated enterprise zone may be exempt from property tax for three to five consecutive years. Eligible business firms seeking exemption in years four and five must be authorized by a written agreement with the zone sponsor before construction or job hiring. Written agreements may impose additional conditions on the firm. In urban enterprise zones, written agreements may impose other additional conditions on the firm relating to employment opportunities regardless of the exemption period.

The Industrial Site Loan Fund is a revolving fund that provides financial assistance, including loans, to project sponsors for development and planning projects related to industrial land development. Subject to available funds, such financial assistance may be provided in an amount determined on a case-by-case basis by the Oregon Business Development Department.