

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
**83rd Oregon Legislative Assembly**  
**2026 Regular Session**  
**Legislative Revenue Office**

**Bill Number:** HB 4084 - A14  
**Revenue Area:** Property Tax  
**Economist:** Beau Olen  
**Date:** 2/18/2026

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

**Measure Description:**

Expands standard enterprise zone exemption period available after year three, from two additional years to 10 additional years. Allows agreement for flexible hiring timelines between zone sponsor and eligible business firm if employment or alternative criteria are met during exemption period. Replaces zone designation requirements relating to area median income, unemployment rate, and economic hardship with requirement for zone sponsor to demonstrate need for economic development in area. Expands potentially eligible business firm operations to priority industries identified by zone sponsor resolution. Expands potentially eligible business firm operations, upon written request of zone sponsor, to firms engaged in sales for personal or household use, retail sales, or operating fulfillment center. Takes effect 91 days after sine die.

**Revenue Impact:**

No initial revenue impact. Impacts first take effect in the 2031-33 biennium, see impact explanation.

**Impact Explanation:**

Dependent on requests by sponsoring jurisdictions and rules adopted by Oregon Business Development Department, local revenue impacts begin in tax year 2032-33, the sixth year of exemption for new eligible business firms after the act's effective date. Local revenue impacts may begin up to two years later if new eligible business firms first use the construction in process in an enterprise zone exemption. New standard enterprise zone exemptions after the act's effective date are expected to be similar to the recent past, with about 40 percent of eligible business firms authorized for the maximum available exemption period, and value of depreciable property accounting for about 10 percent to 20 percent of real market value of qualified property in the eight years after the fifth exemption year. As such, local non-bond revenue impacts in 2032-33 to 2039-40 are expected to be about -\$34 million to -\$39 million per year. If certain depreciable property is refreshed on five-year cycles, and this would otherwise trigger appraisal, expected non-bond revenue impacts would be five percent to 15 percent higher than reported above. Revenue impacts do not include payments to local governments per additional conditions for authorization negotiated by zone sponsors and eligible business firms. Expanding the property tax exemption period may interact with other expansions to zone designation and eligible business firm operations, but this will also depend on potential actions taken by zone sponsors and Oregon Business Development Department.

Property taxes that would otherwise be imposed based on the real market value of qualified property depends on the number of new eligible business firms authorized for an additional exemption period that is longer than the five years available under current law, the cost of new investment in qualified property, any entrepreneurial incentive assessed on the cost of new qualified property, amounts of depreciable property (personal property

and shorter-lived real property), depreciation schedules, and local tax rates and changed property ratios.

**Creates, Extends, or Expands Tax Expenditure: Yes  No**

The policy purpose of this measure is to stimulate and protect economic success in such areas of the state by providing tax incentives for employment, business, industry and commerce and by providing adequate levels of complementary assistance to community strategies for such interrelated goals as environmental protection, growth management and efficient infrastructure.