

B-Engrossed
House Bill 2234

Ordered by the House May 5
Including House Amendments dated March 15 and May 5

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of Governor Theodore R. Kulongoski for Economic and Community 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.

Removes limitation on number of enterprise zones that may be designated for electronic commerce.

Extends period during which business firm may obtain certification for facilities in nonurban enterprise zones.

Applies to applications for electronic commerce designation filed on or after July 1, 2007.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to enterprise zones; creating new provisions; amending ORS 285C.095, 285C.100 and
3 285C.406; and prescribing an effective date.

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

5 **SECTION 1.** ORS 285C.095 is amended to read:

6 285C.095. (1) A sponsor of an existing enterprise zone may seek to have the zone designated for
7 electronic commerce under this section.

8 (2) The sponsor shall file an application to have the zone designated for electronic commerce
9 with the Economic and Community Development Department. The application shall be in the form
10 and contain the information that the department by rule may require.

11 (3) The application shall be accompanied by a copy of a resolution, adopted by the governing
12 body of the sponsor, requesting that the zone be designated for electronic commerce.

13 *[(4) The department shall review applications for electronic commerce designation and shall ap-*
14 *prove no more than four zones for electronic commerce designation.]*

15 **(4) The department shall review and approve applications for electronic commerce des-**
16 **ignation.**

17 (5) The sponsor may by resolution revoke an electronic commerce designation made under this
18 section. If an election is revoked, the sponsor may not subsequently seek reinstatement of electronic
19 commerce designation.

20 **SECTION 2.** ORS 285C.406 is amended to read:

21 285C.406. In order for a taxpayer to claim the property tax exemption under ORS 285C.409 or
22 a corporate excise or income tax credit under ORS 317.124:

23 (1) The written agreement between the business firm and the nonurban enterprise zone sponsor
24 that is required under ORS 285C.403 (3)(c) must be entered into prior to the termination of the en-
25 terprise zone under ORS 285C.245; and

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.

1 (2) The business firm must obtain certification under ORS 285C.403 on or before [December 31,
2 2006] **June 30, 2009.**

3 **SECTION 3.** ORS 285C.100 is amended to read:

4 285C.100. (1) Notwithstanding ORS 285C.095, a city shall be designated for electronic commerce
5 if the city:

6 (a) By resolution of the governing body of the city, declares itself a city designated for elec-
7 tronic commerce;

8 (b) As of January 1, 2002, has a population of more than 1,500 but less than 2,000;

9 (c) Is located less than 25 miles from a city with a population of more than 500,000; and

10 (d) Is located less than 10 miles from a city with a high concentration of high technology firms
11 and with a population that, as of January 1, 2002, does not exceed 85,000.

12 (2) Only one city may be designated for electronic commerce under this section[, *and that des-*
13 *ignation shall be made without consideration of the numeric limitations imposed by ORS 285C.095*].

14 (3)(a) A city does not need to sponsor an enterprise zone to be designated for electronic com-
15 merce under this section.

16 (b) The governing body of a city designated for electronic commerce under this section does not
17 have to comply with the requirements of ORS 285C.090, but the governing body must take all actions
18 that are required of a sponsor of a nonurban enterprise zone under ORS 285C.050 to 285C.250 with
19 respect to business firms seeking exemption under ORS 285C.175.

20 (c) A business firm that is engaged in electronic commerce at a location inside a city designated
21 for electronic commerce under this section and that seeks an exemption under ORS 285C.175 must
22 take all actions required of a qualified business firm under ORS 285C.050 to 285C.250, except that
23 the business firm does not need to be located within an enterprise zone.

24 (d) A business firm described in paragraph (c) of this subsection:

25 (A) Shall be an eligible business firm, the qualified property of which is exempt from taxation
26 under ORS 285C.175 as if the qualified property were located in an enterprise zone under ORS
27 285C.095; and

28 (B) May claim the tax credit under ORS 315.507.

29 (4) For the purpose of determining the boundaries of a city designated for electronic commerce,
30 "city" includes:

31 (a) Territory that is annexed into the city, as of the date of the annexation;

32 (b) Land within the urban growth boundary of the city; and

33 (c) Territory that is added to the urban growth boundary described in paragraph (b) of this
34 subsection, as of the date the urban growth boundary is extended to such territory.

35 **SECTION 4. The amendments to ORS 285C.095 and 285C.100 by sections 1 and 3 of this**
36 **2005 Act apply to applications for electronic commerce designation that are filed with the**
37 **Economic and Community Development Department on or after July 1, 2007.**

38 **SECTION 5. This 2005 Act takes effect on the 91st day after the date on which the reg-**
39 **ular session of the Seventy-third Legislative Assembly adjourns sine die.**

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