

CONFERENCE COMMITTEE AMENDMENTS TO C-ENGROSSED HOUSE BILL 3143

July 25

Amended Summary

Authorizes Director of Economic and Community Development Department to approve designation of up to 10 areas as urban or nonurban enterprise zones.

Eliminates population density limit for reservation enterprise zone designation.

Authorizes ports to apply to Economic and Community Development Department for designation of areas as enterprise zones. Establishes application procedures.

Waives conditional taxes that would otherwise be imposed following disqualification from enterprise zone exemption, if reason for disqualification was destruction of property through fire occurring during certain period.

Takes effect on 91st day following adjournment sine die.

Speaker Minnis:

Your Conference Committee to whom was referred C-engrossed House Bill 3143, having had the same under consideration, respectfully reports it back with the recommendation that the House concur in the Senate amendments dated July 5 and that the bill be amended as follows and repassed.

1 On page 1 of the printed C-engrossed bill, line 2, after "285C.050," delete the rest of the line and
2 insert "285C.065, 285C.075, 285C.080, 285C.085, 285C.090, 285C.105, 285C.115, 285C.250 and".

3 On page 2, line 41, after "city" delete "or" and insert a comma and after "county" insert "or
4 port" and after "cities" delete "or" and insert a comma and after "counties" insert "or ports".

5 In line 45, delete "or" and insert a comma and after "county" insert "or port".

6 On page 3, line 1, after "(7)" insert "or a port that joined the enterprise zone under section 14
7 of this 2005 Act".

8 On page 4, after line 4, insert:

9 "**SECTION 4.** ORS 285C.065 is amended to read:

10 "285C.065. (1) Any city [*or*], county **or port** may apply to the Director of the Economic and
11 Community Development Department for designation of an area within that city [*or*], county **or port**
12 as an enterprise zone. **A port shall obtain the consent of the governing body of the county**
13 **prior to applying to the Economic and Community Development Department for designation**
14 **of an area as an enterprise zone.** With the prior consent of the governing body of the city **or**
15 **port**, a county may apply to the [*Economic and Community Development*] department on behalf of a
16 city **or port** for designation of any area within that city **or port** as an enterprise zone. **With the**
17 **prior consent of the governing body of a city, a port may apply to the department on behalf**
18 **of a city for designation of any area that is wholly or partially shared territory of both the**
19 **port and city as an enterprise zone. With the prior consent of the governing body of a port,**
20 **a city may apply to the department on behalf of a port for designation of any area that is**
21 **wholly or partially shared territory of both the city and port as an enterprise zone.**

22 "(2) One or more cities [*and*], counties **and ports** may apply to the director for designation of
23 an area situated partly within each city and partly in unincorporated territory within the counties

1 **or ports** as an enterprise zone.

2 “(3) An application for designation of an enterprise zone shall be in the form and contain such
3 information as the department, by rule, may require. However, the application shall:

4 “(a) Be submitted on behalf of one or more local government units as described in subsections
5 (1) and (2) of this section by resolution of the governing body of each applicant;

6 “(b) Contain a description of the area sought to be designated as an enterprise zone;

7 “(c) Contain information sufficient to allow the department to determine if the criteria estab-
8 lished in ORS 285C.090 are met;

9 “(d) State that the applicant will give priority to the use in the proposed enterprise zone of any
10 economic development or job training funds received from the federal government; and

11 “(e) Declare that the applicant will comply with ORS 285C.105 and perform any other duties of
12 the sponsor under ORS 285C.050 to 285C.250.

13 “(4) When applying for designation of an enterprise zone within its boundaries under this sec-
14 tion, the applicant may include in the application:

15 “(a) Proposals to enhance the level or efficiency of local public services within the proposed
16 enterprise zone including, but not limited to, fire-fighting and police services; and

17 “(b) Proposals for local incentives and local regulatory flexibility to authorized business firms.

18 “(5) In the case of joint applications by more than one local government unit, each city [*or*],
19 county **or port** joining in the application may include proposals for enhanced local public services,
20 local incentives or local regulatory flexibility to be effective within the boundaries of that local
21 government unit.

22 “(6) Proposals under subsection (4) or (5) of this section for enhanced local public services, local
23 incentives or local regulatory flexibility included in the application by a city [*or*], county **or port**
24 for an enterprise zone are binding upon the city [*or*], county **or port** if an enterprise zone is desig-
25 nated wholly or partly within its boundaries.

26 **“SECTION 5. The Economic and Community Development Department may adopt rules**
27 **related to the consent required from a city, county or port under ORS 285C.065 in order for**
28 **a city, county or port to apply for enterprise zone designation under ORS 285C.065.**

29 **“SECTION 6. (1) A city, county or port that seeks to apply to the Director of the Eco-**
30 **nomical and Community Development Department for enterprise zone designation under ORS**
31 **285C.065 shall consult with all local taxing districts with territory in the proposed zone prior**
32 **to filing the application.**

33 **“(2) The Economic and Community Development Department may adopt rules on the**
34 **consultations required under subsection (1) of this section and procedures related to the**
35 **consultations.**

36 **“SECTION 7.** ORS 285C.075 is amended to read:

37 “285C.075. (1) The Economic and Community Development Department shall review each appli-
38 cation for designation of an enterprise zone, and shall secure any additional information that the
39 department considers necessary for the purpose of determining whether the area described in the
40 application qualifies for designation as an enterprise zone.

41 “(2) The department shall complete review of the application within 60 days of the last date
42 designated for receipt of an application. After review of the applications, the department shall for-
43 ward those qualified applications to the Director of the Economic and Community Development
44 Department. The director shall determine which applications have the greatest potential for ac-
45 complishing the purposes of ORS 285C.050 to 285C.250.

1 “(3) As authorized under ORS 285C.080 or 285C.250, the director may approve the designation
2 of one or more enterprise zones. The determination by the director as to the areas designated en-
3 terprise zones shall be final.

4 “(4) If an application for enterprise zone designation is denied, the governing body of the cities
5 [or], counties **or ports** submitting the application shall be informed of that fact together with the
6 reasons for the denial. Cities [or], counties **or ports** may reapply to the department for designation
7 of an area as an enterprise zone.

8 “**SECTION 8.** ORS 285C.085 is amended to read:

9 “285C.085. (1) The Economic and Community Development Department shall be the lead agency
10 for state participation in a federal enterprise zone program. The Director of the Economic and
11 Community Development Department may take action necessary for such participation to the extent
12 allowed by state law.

13 “(2) Any area designated as a federal enterprise zone by an agency of the federal government
14 may be designated as a state enterprise zone by the director at the request of a city [or], county
15 **or port** within whose jurisdiction some or all of the federal enterprise zone is located, without re-
16 gard to any limitation contained in ORS 285C.090.

17 “(3) The boundary of an existing state enterprise zone may be amended by the director at the
18 request of the sponsor to include the entire area of a federal enterprise zone without regard to ORS
19 285C.115 (2). A change in the boundary of an existing state enterprise zone under this subsection
20 does not change the termination date of the enterprise zone under ORS 285C.245 (2).

21 “(4) A request by a city [or], county **or port** under subsection (2) or (3) of this section shall be
22 in such form and include such information as required by the department, but the request must:

23 “(a) Include a resolution adopted by the governing body of the city [or], county **or port**; and

24 “(b) Provide that all areas within both the federal enterprise zone and the city [or], county **or**
25 **port** are included in a state enterprise zone.

26 “(5) The termination under federal law of a federal enterprise zone does not affect the existence
27 or dimensions of a state enterprise zone, except when, as determined by the director, the termination
28 is for nonperformance or for violations of federal guidelines.

29 “**SECTION 9.** ORS 285C.090 is amended to read:

30 “285C.090. (1) A proposed enterprise zone must be located in a local area in which:

31 “(a) Fifty percent or more of the households have incomes below 80 percent of the median in-
32 come of this state, as defined by the most recent federal decennial census;

33 “(b) The unemployment rate is at least 2.0 percentage points greater than the comparable un-
34 employment rate for this entire state, as defined by the most recently available data published or
35 officially provided and verified by the United States Government, the Employment Department of
36 this state, the Portland State University Center for Population Research and Census or special
37 studies conducted under a contract with a regional academic institution; or

38 “(c) The Economic and Community Development Department determines on a case-by-case basis
39 using evidence provided by the cities [or], counties **or ports** applying for designation of the proposed
40 enterprise zone that there exists a level of economic hardship at least as severe as that described
41 in paragraph (a) or (b) of this subsection. [Such] **The** evidence shall be based on the most recently
42 available data from official sources and may include, but is not limited to, a contemporary decline
43 of the population in the proposed enterprise zone, the percentage of persons in the proposed enter-
44 prise zone below the poverty level relative to the percentage of the entire population of this state
45 below the poverty level or the unemployment rate for the county or counties in which the proposed

1 enterprise zone is located.

2 “(2) An enterprise zone must consist of a total area of not more than 12 square miles in size.
3 The area of the zone shall be calculated by excluding that portion of the zone that lies below the
4 ordinary high water mark of a navigable body of water.

5 “(3) Except as provided in subsection (4) of this section:

6 “(a) An enterprise zone must have 12 miles or less as the greatest distance between any two
7 points within the zone; and

8 “(b) Unconnected areas of an enterprise zone may not be more than five miles apart.

9 “(4) Unconnected areas of a nonurban enterprise zone may not be more than 15 miles apart
10 when an unconnected area is entirely within a sparsely populated county, and the zone:

11 “(a) Must have 20 miles or less as the greatest distance between any two points within the zone,
12 if only a portion of the zone is contained within a sparsely populated county; or

13 “(b) Must have 25 miles or less as the greatest distance between any two points within the zone,
14 if the zone is entirely contained within a sparsely populated county.

15 “(5) This section does not apply to the designation or redesignation of a reservation enterprise
16 zone.

17 “**SECTION 10.** ORS 285C.105 is amended to read:

18 “285C.105. (1) The sponsor of an enterprise zone shall:

19 “(a) Appoint a local zone manager. Upon appointment of the local zone manager, the sponsor
20 shall provide written notice thereof to the Economic and Community Development Department, the
21 county assessor and the Department of Revenue.

22 “(b) Provide enhanced local public services, local incentives and local regulatory flexibility in-
23 cluded in the application for designation of the enterprise zone or in the resolution under ORS
24 285C.115 (7) to authorized or qualified business firms and assist authorized or qualified business
25 firms in using enhanced local public services, local incentives and local regulatory flexibility.

26 “(c) Review and approve or deny applications for authorization under ORS 285C.140.

27 “(d) Assist the county assessor in administering the property tax exemption and in performing
28 other duties assigned to the assessor under ORS 285C.050 to 285C.250.

29 “(e) Maintain, implement and periodically update a plan for marketing the enterprise zone in-
30 cluding strategies for retention, expansion, start-up and recruitment of eligible business firms.

31 “(f) Manage the enterprise zone in accordance with ORS 285C.050 to 285C.250.

32 “(g) Identify property available for sale or lease to eligible business firms under ORS 285C.110.

33 “(h) Prepare indices of street addresses, tax lot numbers or other information to facilitate the
34 identification of land inside of an urban enterprise zone.

35 “(i) Provide written notice to the county assessor, the Department of Revenue, the Economic
36 and Community Development Department and any relevant publicly funded job training provider of
37 the conditions and policies adopted or normally sought by the sponsor under ORS 285C.150, 285C.155
38 or 285C.160 and take the actions necessary to implement and enforce the conditions and policies and
39 any other reasonable requirements imposed pursuant to ORS 285C.155 or 285C.160.

40 “(j) Conduct, or assist in conducting, annual reporting of enterprise zone activity or effort, if
41 requested by the county assessor or the Economic and Community Development Department.

42 “(2) If more than one city [or], county **or port** sponsors an enterprise zone, the jurisdictions
43 shall act jointly in performing the duties imposed on a sponsor under ORS 285C.050 to 285C.250.

44 “**SECTION 11.** ORS 285C.115 is amended to read:

45 “285C.115. (1) The sponsor of an enterprise zone may submit a request to the Economic and

1 Community Development Department to change the boundary of the enterprise zone. A request shall
2 include:

3 “(a) A copy of the resolution of the governing body of the sponsor requesting the change;

4 “(b) If subsection (7) of this section applies, a copy of the resolution described in subsection (7)
5 of this section;

6 “(c) A map clearly indicating the existing boundary and the proposed change thereto;

7 “(d) A legal description of each area to be withdrawn from or added to the existing enterprise
8 zone; and

9 “(e) Other information required by the department.

10 “(2) The amended enterprise zone shall:

11 “(a) Add land zoned for use by eligible business firms that has or will have infrastructure fa-
12 cilities, road access, on-site water, on-site sewage disposal and necessary utility services;

13 “(b) Continue to include any authorized business firms within the enterprise zone;

14 “(c) Add residential areas or nonresidential areas that are adjacent to residential areas only if
15 the level of economic hardship in the areas to be added is at least as severe as the conditions that
16 existed at the time the original enterprise zone was designated or that currently exist in the original
17 enterprise zone;

18 “(d) Retain at least 50 percent of the lands in the original enterprise zone; and

19 “(e) Meet the applicable total area and greatest distance requirements set forth in ORS
20 285C.090.

21 “(3) If the enterprise zone is a reservation enterprise zone and the land to be added to the zone
22 is not described in ORS 285C.306, the request for a boundary change, and the resulting boundary
23 of the zone, must fully satisfy the provisions of this section.

24 “(4) A request under subsection (1) of this section may include a proposal to:

25 “(a) Remove only the land that is residential or not zoned or available for use by eligible busi-
26 ness firms; or

27 “(b) Change the name of the enterprise zone.

28 “(5) The boundary of an urban enterprise zone may not be modified to include land located
29 outside a regional or metropolitan urban growth boundary.

30 “(6) A request to modify the boundary of a nonurban enterprise zone to include land located
31 outside an urban growth boundary shall satisfy the requirements of subsections (1) and (2) of this
32 section and shall satisfy any other criteria that the department may adopt by rule.

33 “(7) If an area to be added to an enterprise zone is under the jurisdiction of a city [or], county
34 **or port** that is not a sponsor of the enterprise zone, the governing body of that city [or], county
35 **or port** shall submit a resolution requesting the change and requesting that the city [or], county
36 **or port** become a sponsor, **or shall submit a resolution consenting to the change, as provided**
37 **under ORS 285C.065 (1)**. The resolution of the joining city [or], county **or port** shall be submitted
38 jointly with the resolution adopted by the governing body of the existing sponsor. The **joining**
39 resolution of the city [or], county **or port** may:

40 “(a) Include a binding proposal for enhanced local public services, local incentives or local
41 regulatory flexibility to be effective within the portion of the enterprise zone to be under the juris-
42 diction of that city [or], county **or port**; or

43 “(b) Include a restriction described in ORS 285C.070 (4). A restriction made under this paragraph
44 may be made without regard to the time limitation described in ORS 285C.070 (4)(c) and becomes
45 final on the effective date of the boundary change.

1 “(8) The department shall review the request for a boundary change. If the request is incomplete
2 or does not satisfy the requirements of this section, the department shall seek additional information
3 as necessary or shall return the request to the sponsor. If the request is returned, the sponsor may
4 submit a revised request at any time. If the request is complete and does satisfy the requirements
5 of this section, the Director of the Economic and Community Development Department shall order
6 a change in the boundary of an enterprise zone based on the request of the sponsor and specify the
7 effective date of the boundary change, which may not be earlier than the receipt of a completed
8 request.

9 “(9) A change in the boundary of an enterprise zone under this section does not change the
10 termination date of the enterprise zone under ORS 285C.245 (2).

11 “**SECTION 12.** ORS 285C.250 is amended to read:

12 “285C.250. (1) Within a reasonable period of time prior to the termination of enterprise zones
13 under ORS 285C.245 (2), the Director of the Economic and Community Development Department
14 shall competitively designate the same number of enterprise zones effective immediately after ter-
15 mination of the previous enterprise zones. The determination by the director as to the areas desig-
16 nated as enterprise zones shall be final.

17 “(2) When an enterprise zone is terminated under ORS 285B.686 (4) to (6), the director may
18 competitively designate a new enterprise zone. The sponsor of the enterprise zone terminated under
19 ORS 285C.245 (4) or (5) is not eligible to apply for a new enterprise zone, except for a county gov-
20 ernment when the terminated zone was also jointly sponsored by one or more cities **or ports**.

21 “(3) Sponsors of existing enterprise zones that are due to terminate may reapply for designation
22 under subsection (1) of this section.

23 “(4) Any city [or], county **or port** may apply to the director for designation of an enterprise zone
24 in accordance with the criteria set forth in ORS 285C.065 and 285C.090. In addition, the Economic
25 and Community Development Department by rule shall determine the minimum level of economic
26 hardship in any area to be included within an enterprise zone, any other criteria necessary to
27 evaluate the need for the enterprise zone and the potential for accomplishing the purposes of ORS
28 285C.050 to 285C.250.

29 “(5) All enterprise zones designated under this section shall terminate in accordance with ORS
30 285C.245 (2).

31 “(6) When the director designates enterprise zones under this section, there is no limit on the
32 relative number of urban or nonurban enterprise zones designated.

33 “(7) The director may determine when to accept applications for any enterprise zone that ter-
34 minates under subsection (2) of this section or is not designated under subsection (1) of this section
35 for lack of qualified applicants.

36 “**SECTION 13.** Section 14 of this 2005 Act is added to and made a part of ORS 285C.050
37 to 285C.250.

38 “**SECTION 14.** (1) A port located in whole or in part within an existing enterprise zone
39 may submit a request to the Economic and Community Development Department to be a
40 cosponsor of the enterprise zone. The request shall include:

41 “(a) A copy of the resolution of the governing body of the port approving the request for
42 designation as cosponsor of the enterprise zone;

43 “(b) A copy of the resolution of the governing body of each current sponsor of the en-
44 terprise zone approving the addition of the port as a cosponsor; and

45 “(c) Other information required by the department.

