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Oregon Economic & Community Development Department

Local and state features of Oregon Enterprise Zones

September 2006

The chart below goes issue-by-issue, duty-by-duty and identifies which of the following is responsible for the action or decision that may or must be taken:

- The state of Oregon, typically as a direct function of technical provisions in the Oregon Revised Statutes (ORS) enacted by the State Legislature.
- The one or more City Councils, the Port District Board and/or the Board of County Commissioners that (jointly) sponsor the enterprise zone.

The following chart demonstrates that Oregon's Enterprise Zones are a "state–local" system:

Issue, Action or Decision	State, Local Sponsor, etc.
Purpose and duration of enterprise zone system	State Statutes
Constitution of Enterprise Zones	
To propose/apply to have an Enterprise Zone	Local governments
Terminating an Enterprise Zone prematurely	Local governments A
Minimum level of local economic distress in a proposed Enterprise Zone	State Statutes B
Maximum statewide number of Zones (57+)	State Statutes
Maximum life span of Zone (sunset: < 11 years)	State Statutes
To reapply for designation after sun-setting	Local governments
Application elements/process for Enterprise Zone designation (e.g., accurate map)	State Statutes C
Selection of Enterprise Zones to be designated in the face of competition	State—Director of Economic and Community Development Department
Shape and actual area/jurisdictions in a Zone	Local governments (statutory limits)
Changing existing boundary of a Zone	Local governments (statutory limits)
Maximum size & dimensions (limits) of any Zone	State Statutes
Benefits to Business Firms in Enterprise Zones—with Standard Exemption D	

Minimum property tax exemption—i.e., 100% for 3 years	State Statutes
Property covered by exemption (e.g., new plant & equipment, \$50,000 minima for real property)	State Statutes
Adding either one or two years to exemption—Extended Abatement of 4 or 5 years in total	Local governments (Written agreement between firm and sponsor)
Other benefits/incentives (e.g., fee waiver, regulatory flexibility)	Local governments (Such local incentives become binding)
That local/state publicly-owned land to be made available for lease or purchase	State Statutes

Requirements to Get Standard Property Tax Exemption/Benefits

General eligibility of business/activity	State Statutes
Inclusion of hotels/motels/resorts as eligible	Local governments (one-time option)
Authorization filing fee	Local governments E
Authorization application & approval	Local zone manager (with county assessor, according to statutory eligibility) E
Exemption Claim approval & compliance	County Assessor (with assistance of local zone manager/sponsor)
Enter into first-source hiring agreement	State Statutes G
Minimum hiring/10% increase in employment	State Statutes
Waiver from minimum employment increase	Local governments (by resolution, either for investments of \$25 million or more, or for projects entailing increased productivity and dedicated job-training expense)
Alternative minimum employment level and other requirements for special waiver	Local governments H
Safeguard against moving jobs into a Zone	State Statutes
Additional employment-related conditions	Local governments (urban zones only) L
Compensation standard for Extended Abatement up to 5 years	State Statutes J
Any "additional" requirements for Extended Abatement up to 5 years	Local governments K

Other

Management of an Enterprise Zone	Local governments
Marketing plans, strategies & initiatives	Local governments L
Community relations, outreach & support, and Coordination among local players (e.g., Ports)	Local governments
Annual report on exemptions & new job data	County assessors
Identify available publicly-owned land in any Zone, and Indices of all land in urban Zones	Local governments M
Interaction with federal enterprise zones	State—Economic and Community Development Department

Technical assistance, information & training to zone sponsors/assessors/business firms	State—Economic and Community Development Department & Department of Revenue
Forms for applications by business firms	State—Department of Revenue (with Economic & Community Development Department)
Adoption/amendment of administrative rules	State agencies
Interpretation/construction of Statutes	State—Attorney General
Appeals by business firms upon denial	State N

A Director of the Oregon Economic and Community Development Department is required to terminate an enterprise zone whenever a sponsor is unable or unwilling to fulfill responsibilities; this has never been done.

B With some discretion by the Director or through administrative rules of the Economic and Community Development Department

C Specified/clarified by administrative rules of Economic and Community Development Department

D This commonly used program offers an exemption from property taxes on new plant and equipment invested in the enterprise zone by an eligible business firm increasing its in-zone, full-time employment.

Long-term tax incentives also are available, for which an entire qualifying facility may be exempt from property taxes for 7 to 15 years, but only most rural zones. Like the extended abatement, the local government sponsors have complete discretion over the granting of these incentives, except for the state tax credits approved by the Governor, although the facility must satisfy certain minima for dollars invested, jobs created and compensation paid. The zone sponsor also sets the exemption period and may impose additional requirements.

E Not charged by many sponsors, but fee may range from \$200 to 0.1 percent of estimated investment cost.

F May be waived in accordance with special circumstances in administrative rule or by Oregon Department of Revenue for good cause, although such waivers are rarely necessary.

G Same requirement for business firms benefiting under lottery-funded programs; waiver possible but rare by Director of Economic and Community Development Department; agreement is between the authorized business firm and a local workforce organization or field office of the Oregon Employment Department, which acts as the contact for a network of publicly funded job-training providers. Under the agreement, firm provides notice of job openings and accepts referral of qualified job applicants.

H As specified in resolution(s), which may allow for a decrease in employment with \$25 million investment.

I Several of the nine urban zones have established standards of a locally adopted policy; zone sponsors must submit written report to Legislature on application and effects of such conditions.

J Average "compensation" for new employees during each of four/five years must be at least 150 percent of county average annual wage as set at start of investment, except for urban zones in Portland area.

K As reasonably requested in written agreement between firm and zone sponsor, to be monitored by sponsor. Guidance in administrative rules adopted by Economic and Community Development Department.

L With assistance by Economic and Community Development Department in "efforts to retain, expand, start or recruit eligible business firms"—ORS 285C.060(2)

M Required by statutes.

N All such appeals go directly to the Oregon Tax Court, Magistrates Division.