

# VOTE YES on House Bill 2075

## Extends Oregon's Brownfields Remediation Toolkit.

### House Bill 2075 extends local governments' ability to offer property tax incentives to stimulate brownfield cleanup and redevelopment.

Oregon has thousands of contaminated sites ("brownfields"). These sites have sat idle for years without the landowners investing in cleanup and redevelopment. These properties pose potential threats to human health and the environment and represent "dead zones" that undermine economic development, degrade community livability, and depress the value of neighboring properties. Cleanup of these sites can eliminate blight and health hazards, return the sites to productive use, create jobs and increase local and state tax revenues.

In 2016, the Legislature passed HB 4084, authorizing a city, county or port to adopt a property tax incentive program to spur the remediation of brownfield sites. The program is completely optional, allowing local governments to implement the best approach for their community. By offering property tax reductions linked to cleanup costs, local governments can offset some or all of the high costs of remediation that often constitute a barrier to redevelopment, thereby helping to end the cycle of disinvestment in brownfields. The law enables local jurisdictions to shape their programs in a way that matches local values and community needs, which is critical to their long-term use and success.

This local government tax authorization is just one of the tools created in 2015 & 2016 to work to address brownfield remediation and clean-up. Without these tools, it will only hamper our ability to solve legacy environmental contamination, revitalize communities, and build local tax bases.

Please support HB 2075, and maintain this tool and creative approaches to improving our communities.



**Contact:** Rocky Dallum, Oregon Economic Development Association, [rocky.dallum@tonkon.com](mailto:rocky.dallum@tonkon.com)  
Anneliese Koehler, Metro [Anneliese.Koehler@oregonmetro.gov](mailto:Anneliese.Koehler@oregonmetro.gov)

## **HB 2075: Property Tax Incentives for Brownfield Cleanup Summary**

- Extends the authorization for a local government (city, county or port), by resolution or ordinance, to adopt a program providing property tax incentives to landowners for cleanup and redevelopment of contaminated sites
- Incentives include special assessment for land value and exemption for value of improvements and personal property
- Program may offer incentives for up to 10 years, with the option to extend for 5 years according to locally determined criteria contained in the ordinance or resolution
- Total tax benefit may not exceed cost of cleanup
- Cleanup must be conducted according to an agreement with, an order of, or a process or program authorized by DEQ
- Adoption of a property tax incentive program is completely optional for the local government, which can shape its program to meet local needs – or choose not to create a program at all
- Eligibility is limited to property owners who did not cause, contribute to or exacerbate contamination at the brownfield
- Excludes properties under central assessment, federal Superfund sites, and state-appraised industrial property (generally industrial properties valued at \$1 million or more)
- Bill lays out application requirements, eligible costs, clawback requirements in case of violations
- Local program doesn't go into effect unless taxing districts representing 75% of total combined rate agree
- Extends sunset to January 2, 2033

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