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Senate passes bill to incent ‘brownfield cleanup’

HB 4084 to spur environmental cleanups, support economic development and housing

SALEM – The Oregon Senate today passed a bill that will allow local governments to incent environmental cleanup on brownfield sites, supporting public health, and also spurring economic and housing developments in communities.

House Bill 4084 – which passed on a 28-0 bipartisan vote today in the Senate – authorizes local government to adopt measures providing tax incentives to property owners who address environmental conditions on these sites. Brownfields are real properties where expansion or redevelopment is complicated by actual or perceived environmental contaminations. Brownfields must be cleaned up before they can be reused for creating jobs and housing or filling other community needs. Currently there are more than 13,500 brownfield sites in Oregon that have sat idle for years without landowners investing in cleanup and redevelopment.

“This bill gives local governments another tool to provide incentives for local environmental cleanup projects,” said Sen. Chris Edwards (D-Eugene), who carried the bill in the Senate. “It helps them put their communities in a position to accomplish economic development and housing goals in their communities by helping landowners make their properties developable again.”

Incentives may include special assessments for land value, exemption for value improvements and personal property. Those incentives can be offered for up to 10 years, with an option to extend for 5 years, according to locally determined criteria. Tax incentives can’t exceed cost of

cleanup, which must be conducted according to an agreement with Oregon Department of Environmental Quality.

Eligibility for these local programs is limited to property owners who did not cause, contribute to or exacerbate contamination at the brownfield site in question. If property changes hands, it remains eligible for incentives as long as the new owner continues to meet eligibility requirements and other obligations of the program. The bill excludes properties under central assessment, federal Superfund sites and state-appraised industrial sites. It also lays out application requirements, eligible costs and “clawback” requirements in the case of violations. There is a 10-year sunset written into the bill.

“We continue looking for ways to help communities address issues that pose potential threats to public health and the environment,” said Sen. Arnie Roblan (D-Coos Bay). “This will help rural communities, as well as urban communities, remove health hazards and remove a financial barrier to cleaning up properties and redeveloping them. This tool will help those communities remove blight, address public health hazards and repurpose those sites for productive uses that will create jobs and improve livability.”

Cities, counties and port districts all will be able to create these programs, but local programs don’t go into effect unless taxing districts representing 75 percent of the combined total rate of tax incentives agree. Adopting these incentive programs is completely optional for local governments, which can shape their programs to meet local needs.

HB 4084 now goes to Gov. Kate Brown for signature.

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