



March 13, 2013

**Re: SB 223**

Chair Burdick & Members of the Committee:

The Hillsboro Chamber of Commerce wishes to express its strong support for SB 223, regarding the State's Strategic Investment Program (SIP).

Hillsboro and other communities around the State have achieved considerable success in attracting new business investment through the SIP, generating thousands of construction and permanent jobs. This investment benefits the entire State, as most of these jobs are high-paying, generating considerable income tax revenue which benefits schools and other services through-out Oregon. But this benefit comes at a cost to local government. Under the SIP, most of the new investment in real property is abated for 15 years, so that local governments which rely on property tax revenues as their primary revenue source must forego a considerable amount of revenue over the life of an SIP project. In other words, cities and counties continue to incur the costs associated with new investment, but do not receive commensurate revenue.

The Gain Share provisions in ORS 285C, established under SB 954 in 2007, rectify this dynamic. Under Gain Share, the State shares half of the income tax revenues from jobs generated by SIP projects, covering a part of the foregone property tax revenues. SB 223 will help to bring clarity to the Gain Share law in a manner consistent with the original intent.

As Washington County continues to grow, the demand for services likewise continues to grow. SB 223 will help to ensure that local governments are not put in the position of foregoing revenues even as they bring jobs that benefit the entire State.

Respectfully Submitted,

A handwritten signature in cursive script, reading "Doug Barrett".

Doug Barrett  
Chairman of the Board  
Hillsboro Chamber of Commerce