



SB 333 An opportunity to recover \$10 m a year in business subsidy

Senate Business and Transportation – Jody Wisner – 2.27.2017

We recommend that rather than revising this program, you end it.

The Industrial Site Readiness Program is another “Gain Share” idea, based on the idea that the State doesn’t participate in enterprise zones or urban renewal districts. But since 40% of property taxes go to k-12 funding, the State in fact participates in each of these programs at the rate of 40% a year.

Further, the businesses purchasing the land that the local community has paid to improve should be paying for infrastructure in the price they pay. Let me repeat that: the businesses purchasing the land should be paying for the infrastructure in the price they pay, just as do homeowners in new residential developments.

The whole concept behind this legislation shifts business costs to the State of Oregon, or actually her children.

This program is limited to \$10 million a year. That’s 117 teachers. School is your responsibility. Industrial land costs are the responsibility of business.

Further, this bill removes the job requirements associated with the original legislation. There will be no wage requirements at all if you pass SB 333. The recent Secretary of State audit of Business Oregon found that jobs in enterprise zones, which this land will undoubtedly be, actually as a rule pay LESS than other jobs in the county. So if you choose to pass SB 333, the job requirements in the bill should be strengthened, not removed. Starting with the last line of page one, the text, rather than being removed, should be written, “and whose compensation averages at least 150 percent of the county wage.” Remove “or state average wage, whichever is less.” Or, change the word “less” to “more.”

Clearly this is legislation aimed at the metro area (see line 35 page 2) where 1000 acres of farmland are being turned into industrial land in Washington County. That land has already been put into an Urban Renewal District, sequestering the property taxes for infrastructure for years to come. The State is already giving up 40% of the property taxes that would otherwise flow to the Hillsboro School District, and reduce their state funding via the school funding formula.

There is nothing in this legislation that keeps Washington County from both grabbing this "Gain Share" and taking all property taxes for the same infrastructure improvements.

It's a brilliant move, unless you believe in basic fairness or in educating children, and providing social, health and public safety services.

This program should never have been put into law. It is a potential \$20 million per biennium you can take back from business subsidies. We recommend that you use SB 333 not to weaken the program, but to end it.