



February 6, 2019

Dear Chair Nathanson and Members of the Committee,

The League of Oregon Cities supports HB 2575, a bill that creates a new income tax credit for eligible costs for brownfield remediation. According to Oregon DEQ, every Oregon city, whether rural or urban, has vacant, underused and potentially contaminated brownfield properties. These properties often include abandoned mills, defunct drycleaners, former gas stations, dark industrial sites, vacant lots, and empty buildings in our cities.

Many properties have been “brown” and thus have had low property values with low property taxes for years. Communities need a variety of tools to help incentivize cleanup and redevelopment of these sites. Often, the costs are simply too high to pencil out for owners and this tax credit is a tool that will help make certain projects viable. Such projects can restore environmental hazards and thus bring livability and health to the community; such restoration can also translate to an improved property tax base and new jobs.

The LOC has been an active participant in the Oregon Brownfield Coalition on behalf of its 241 cities. As we have looked at this problem of brownfields across Oregon and looked at other states for solutions, it has become clear that more state funding assistance is a necessary tool. We believe that a carefully crafted income tax credit program with the correct requirements is a good investment tool. Indeed, the tax credit is an investment solution that can bring the state and local governments together to address the statewide brownfield problem.

We ask for your support of this concept as it continues to be developed. If you have questions, please contact me at wjohnson@orcities.org or 503-540-6585.

Sincerely,

Wendy Johnson
Intergovernmental Relations Associate
League of Oregon Cities