

February 21, 2020

Representative Nancy Nathanson, Chair
Representative Pam Marsh, Vice-Chair
Representative E. Werner Reschke, Vice-Chair
Members of the Committee

RE: HB 4010 – Disconnect from Federal Tax Code for Opportunity Zones

Oregon House Committee on Revenue Members:

Economic Development for Central Oregon (EDCO) is a non-profit organization that covers the tri-county region of Crook, Deschutes and Jefferson counties to promote sustained job growth and prosperous communities for this part of the state. In those efforts we work with businesses, cities and counties, financial institutions and investors to generate new state and local revenues through job creation and taxable capital investment. HB 4010 hurts, not helps, our ability to do this work which is why we **strongly oppose the bill**.

Central Oregon has several census tracts designated by Governor Brown as Opportunity Zones in 2018, including blighted areas that have been identified locally for redevelopment and revitalization in Madras, Warm Springs (Confederated Tribes), Prineville, Redmond and Bend. EDCO is working with businesses, land owners and investors on projects today that are the first steps toward the economic revitalization that this federal legislation was intended to catalyze. If we indeed want this type of activity, employment and redevelopment to happen, ripping out the state tax benefit by disconnecting from the federal tax code around Opportunity Zones is the exact wrong thing to do!

Speaking of wrong things, over the last several sessions, the Oregon Legislature has made great progress on eroding the state's business climate such that we now have a record number of traded-sector companies in our region that are looking at their options outside the state for relocation or growth. While most have an affinity for Oregon and our communities, there is usually no specific business justification for being located here (their customers/markets are national or international) yet they must remain profitable and competitive vis-à-vis other companies in their respective industries. As a state that is still the most dependent in the U.S. on personal income taxes, should we not be concerned about policies that export jobs and compromise the state's main source of revenue in the future?

Please, take a break from the stream of anti-business, anti-investment, anti-private sector jobs lawmaking and let this bill die in committee.

Respectfully,



Roger J. Lee
CEO

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for Central Oregon**

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