



A STRONG VOICE FOR OREGON'S WORKERS

TO: Chair Holvey
Vice-Chairs Grayber and Bonham
Members of the House Committee on Business and Labor

FR: Catie Theisen, OR AFL-CIO

RE: HB 2343 Concerns

February 8, 2021

The Oregon AFL-CIO represents 300,000 workers across Oregon and is a voice for all workers in the legislative process.

In Oregon, Economic Enterprise Zones are areas in which a local government has chosen to offer tax breaks in order to incentivize businesses to open in their geographic area. Unsurprisingly, the purpose of the program is to “stimulate and protect economic success.” These tax dollars are invested most effectively when Oregon contractors win the work and Oregonians are employed and retained, stimulating the local economy and increasing income tax revenue.

We understand that the pandemic has hit every Oregonian hard, and both workers and small business owners are under new stressors to stay afloat. However with record unemployment, now more than ever do we need economic progress to be made that prioritizes maintaining and creating Oregon jobs with high road wages and working conditions.

Given the subversion of the intent of enterprise zones in better economic times -- including these tax break financing projects who then used contractors who hired out-of-state workers at substandard wages -- we have long been advocating for more sidebars to this economic tool. However, HB 2343 moves in the opposite direction.

Consequently, on behalf of workers who stand to gain or lose jobs because of enterprise zone tax abatements, we have significant concerns enshrining in law further exemptions of standards for businesses to qualify for property tax abatements. During a pandemic we should be working to get Oregonians back to work. We fail to see how giving a local government the ability to suspend the minimum qualifications for a business to qualify for property tax exemptions aids in long-term economic recovery for Oregon's vulnerable communities.

Thank you for your consideration of our concerns on HB 2343. We hope the committee has a critical eye for any further tax exemptions to ensure that the state's enterprise tax zones deliver the benefits they were designed to deliver – good jobs for Oregon workers, particularly during economic downturns.