

Date: April 28, 2021
To: House Committee on Revenue
Re: Support for HB 2343-A
From: Mallorie Roberts, Legislative Affairs Manager

Chair Nathanson, Vice-Chairs Reschke and Pham, Members of the Committee,

On behalf of the Association of Oregon Counties (AOC), representing Oregon's 36 county governments, I offer the following comments in strong support of House Bill 2343-A.

AOC has long supported Enterprise zones as a tried and true economic development tool that allows local governments to use their own property tax revenue to spur job creation -- 30 of Oregon's 36 counties are currently zone sponsors.

HB 2343-A would allow the local governments that sponsor enterprise zones to temporarily waive eligibility thresholds for businesses that are unable to meet program requirements due to COVID-19 impacts. We know that employers have experienced unforeseen challenges over the last year including supply chain disruption, decreased sales, and output reduction, which unfortunately resulted in layoffs. Companies nationwide are now reporting difficulty rebuilding their workforce because of ongoing health concerns and scheduling challenges due to lack of childcare for school aged children.

Enterprise zone employers now risk losing tax abatements due to forces beyond their control -- this unplanned tax liability only further threatens key traded-sector employers that anchor and support our local economies. It is fair and appropriate for the legislature to allow local governments to temporarily waive thresholds for employers that can demonstrate public health related hardships so these companies can direct their resources to stabilization, rehiring, and supporting local economic recovery.

AOC appreciates the significant amount of work that went into the development of HB 2342-A by Representatives Bonham and Lively, the Oregon Economic Development Association (OEDA) and the League of Oregon Cities (LOC).

Thank you for the opportunity to submit written testimony in strong support of HB 2343-A. The Association of Oregon Counties urges the House Committee on Revenue to move HB 2342-A to the Floor with a do-pass recommendation.