

KCEDA

Klamath County Economic Development Association

June 2, 2023

To: Oregon Joint Committee on Tax Expenditures
Oregon State Capitol
900 Court Street NE
Salem, Oregon 97301

RE: House Bill 2009

Dear Co-Chairs Meek and Nathanson,

I am writing on behalf of the Klamath County Economic Development Association (KCEDA) to express our opposition for HB 2009. KCEDA is the area's lead economic development agency, focused on being a proactive force in business recruitment, retention, expansion, and scalable entrepreneurship. In the work we do, we strive to catalyze a flourishing economic climate, where local organizations and businesses have the best opportunities to be successful. As we seek to diversify and enhance the components of our economy, it is critical that our rural region have access to strong tools to remain competitive in our development efforts.

Our region has seen growing development activity in the Clean Energy, and believe that Klamath County possesses the assets to serve ongoing investment from this sector, positioning the region to be a hub for Oregon's renewable energy future. For large capital projects like the Swan Lake Energy's Pumped Storage Facility, the Strategic Investment Program (SIP) has been instrumental in securing such investments. It is for these reasons we oppose HB 2009. The bill intends to establish income and corporate excise tax credit for qualified research endeavors; however, it also riskily aims to decrease the maximum amount of personal income tax revenue that may be distributed yearly to any county under the SIP. In doing so, HB unnecessarily creates a sunset date for the SIP, increases the minimum total cost of eligible projects under the SUP, unnecessarily amends related SIP provisions, and recklessly increases the minimum total cost of eligible projects under the current SIP program.

KCEDA believes this bill has the danger of jeopardizing opportunities to recruit industry to the region, particularly in sectors like Clean Energy which has frequently been identified as a state priority. Please join KCEDA in opposing HB 2009. I thank you for your thorough consideration of this request, and if you have any questions regarding my comments, please contact me.

Sincerely,



Randy Cox
CEO, KCEDA / ChooseKlamath