



HB 2199: Enterprise Zones require reforms

House Committee on Revenue – John Calhoun – 4.4.2023

My name is John Calhoun and I am representing Tax Fairness Oregon, a network of volunteers who advocate a rational and equitable tax code.

Prior legislatures created sunset provisions for tax credits and tax expenditures so that programs would receive a periodic review. This was done to ensure that they were accomplishing the goals previously established, are responsive to a changed world, and were efficient uses of state resources. This enterprise zone program is scheduled to sunset in two years.

Tax Fairness Oregon believes enterprise zones have been a useful economic tool and the sunset should be extended. However, we also urge this committee to consider reforms such as those that have been set out in HB 3011 as part of this renewal. Otherwise, if HB 2199 passes without amendment the legislature will not be able to easily make needed changes to this program again until 2035.

Over the course of the past year Mike Rogoway of the Oregonian has written many articles about successes and issues with enterprise zones. He has raised concerns that should be discussed by this committee. That is why we have sunsets. Failure to have public discussions about the issues raised could add to the cynicism much of the public has about a lack of governmental response to public concerns. We expect that journalists will be watching this hearing and reporting on your decisions.

Lastly, sunsets have previously been set at six years. HB 2199 provides a sunset 12 years from now. That is inappropriate and, in our opinion, violates the spirit of the sunset process. A six-year sunset should be added to HB 3011 and HB 2199 should not move forward. We urge you to vote no on HB 2199.

We read the bills and follow the money