



HB 3011: Extend Sunset of Enterprise Zone with 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.

The modest reforms included in HB 3011 require more transparency, provide claw back rules when companies do not meet their commitments, exclude internet distribution warehouses that are simply a modern form of retailing, reduce the number of years for Long Term Rural Enterprise Zones, and excludes, only in metro Portland, facilities that consume industrial land, but bring few jobs.

These are all good provisions. They should not impede economic development where it is needed, especially in rural Oregon, but we will stop subsidizing businesses that need to locate near their customers and which do not need incentives to locate in Oregon.

We believe that there are still other ways that this bill could be improved.

- Section 3 could clarify whether tentative agreements need to be made public before a final vote is made by a sponsoring authority so local citizens can play a role before a decision is formalized.
- The exclusion of warehouses delivering goods for delivery to purchasers may need to be clarified. The bill should allow for warehouses and delivery that are part of an Oregon manufacturing operation.
- This committee should consider modifying the language in Section 5 to specify data centers in the Metro area.
- The definition of “Traded Sector” in Section 12 may need to be more specific and ensure that it applies to both Enterprise Zone categories. We have been disappointed by overly broad definitions that allow Enterprise Zone tax benefits for businesses that simply import products into Oregon for sale or delivery here.
- A six-year sunset should be added to HB 3011 and HB 2199 should not be passed.

We are pleased to see this bill and want to work with this committee to continue to improve it.

We read the bills and follow the money