



RE: House Bill 3457 and HB 2199

Co-Chairs Representative Nathanson, Senator Meek, and Members of the Joint Committee On Tax Expenditures

May 19, 2023

Dear Co-Chairs Representative Nathanson, Senator Meek, and Members of the Joint Committee On Tax Expenditures:

The Washington County Chamber of Commerce, the largest chamber in Washington County, comprising over 825 members, is writing today in strong opposition to the 5-amendments recently adopted into both HB 2199, and HB 3457, that would have a damaging impact on the beneficial and intended functions of Oregon's Gain Share program, Enterprise Zone (EZ), and Strategic Investment Program (SIP).

HB 2199, essentially an enterprise zone sunset extension bill, intended to extend the existing sunset date for the EZ program, has now evolved into legislation that would radically decrease that program's effectiveness by more than 40%. HB 3457 initially aimed to fine-tune the minimum level for a SIP project upward to meet current price increase concerns. Revisions to HB 3457 now place a five-year sunset on the SIP and a restriction on the Gain Share at \$5 million per county per year. The SIP/Gain Share and standard EZ programs have been historically successful. Hillsboro is home to over 13 percent of Oregon's manufacturing jobs. Business Oregon assessments appraises the combined Washington County direct SIP-related jobs contributed \$141 million to Oregon's 2022 General Fund. Efforts to weaken these programs are counterproductive to Oregon's overall business development.

With Oregon's deteriorating overall tax and regulatory conditions, EZ and SIP programs are fundamental tools for economic development and business creation. These latest modifications worsen our overall tax and regulatory situation and create a negative effect on Washington County's annual budgeting and finances, harshly limits the critical Gain Share program, and reduces the ability of counties to negotiate S SIP deals. The recent amendments also discourage long-term business development and counterintuitively to Governor Kotek's goals to create residential development and business expansion associated with Federal Chips Act funding, SB 4, and our State's semiconductor expansion. It's also unsettling that these bills were passed on split votes with subsequent referrals to the Joint Tax Expenditure Committee and implemented without any public discussion.

Sincerely,

A handwritten signature in black ink that reads 'Deanna Palm'.

Deanna Palm
President/CEO

