



May 18, 2023

Joint Committee on Tax Expenditures
900 Court Street, NE
Salem, Oregon 97301

Dear Co-Chair Meek, Co-Chair Nathanson and members of the committee,

The Technology Association of Oregon (TAO) is the force behind the regional tech industry – supporting entrepreneurs, connecting peers and decision makers statewide, and helping establish the Northwest as a global hub for innovation. We work with over 500 tech and tech-enabled companies throughout Oregon, ranging in size from one-person startups to some of the largest tech companies in the world.

TAO appreciates the opportunity to submit testimony on behalf of our members in opposition to HB 2199.

TAO's members are concerned with the new transparency and adjacent jurisdiction notification requirements included in the bill. We believe that the requirement to make public the terms of an Enterprise Zone (E-Zone) agreement and get buy-in unnecessarily opens businesses up to additional scrutiny. Adopting these changes will disincentivize companies from pursuing an agreement with the local government to protect against competitors and others learning of expansion plans. Economic development is built on confidentiality—displaying company information on a public municipal website creates competitive and market risks for prospective investment.

We are also concerned about the provision that education related taxing authorities would no longer be exemption eligible. Many of the E-Zone abatement recipients work closely with partners in K-12 districts, community college and higher education institutions to provide family wage employment opportunities to Oregon residents and ongoing training for existing employees to support growth potential and career pathways. If this provision were to pass, it would reduce the savings businesses would receive by using E-Zones and add no additional accountability for where the funds go in the school district.

Because of these reasons, TAO asks that the committee to reject the changes proposed in HB 2199 and pass a clean extension of the Enterprise Zone Program.

Sincerely yours,

A handwritten signature in black ink that reads "Skip Newberry".

Skip Newberry
President & CEO, Technology Association of Oregon