



April 8, 2025

Oregon House Committee on Revenue

Re: Support for HB 3049

Board

Tony Hyde

Board President

Knife River

Bob Short

Board Treasurer

CalPortland

Nina Carlson

Board Secretary

NW Natural

Joe Backus

City of Scappoose

Meagan Fawcett

Wauna Credit Union

Sean Clark

Port of Columbia County

Casey Garrett

Columbia County

Commission

Marc Farmer

Clatskanie PUD

Deborah Hazen

Clatskanie Cultural Center

Betsy Johnson

Transwestern Aviation

Greg Hinkelman

City of Clatskanie

Dan Lockett

Global Partners

Dr. Karen Sanders

Portland Community

College

Michael Sykes

Columbia River PUD

John Walsh

City of St. Helens

Staff

Paul Vogel

Executive Director

Wela Negelspach

Director, Columbia County Tourism

Jason Moon

SBDC Director

Sierra Trass

Keep It Local Director/Small

Business Specialist

Chrissy Marquardt

Director, Operations & Engagement

Dear Chair Nathanson, Vice Chairs Reschke and Walters, and Members of the Committee;

On behalf of the Columbia Economic Team Board and full membership, we express our unanimous support of HB 3049.

Columbia Economic Team is the comprehensive economic development organization in Columbia County, one of Oregon's 18 lowest performance-ranking counties – despite our geographic location in the Portland MSA. That's not an economic condition of particular pride to us, but it's a reality for this former forest products-centric collection of six rural- to semi-rural communities. Our largest city has approximately 15,000 residents, and our smallest is just under 10% of that.

We are fortunate, however, to enjoy a strengthening partnership with Business Oregon for industrial recruitment, business retention, and expansion. Business Oregon, and Oregon as a state, have a legacy and reputation for competing and facilitating significant new investment without writing seven- and eight-figure incentive checks like other states and locations. We don't do that in Oregon, and we're up front about it in qualifying business prospects.

What we do have here, in Columbia County, are the largest concentrated parcels of industrial employment lands in the region, and some tools – primarily local incentives -- that encourage and enable businesses to invest here because we also have a few helpful instruments like the Oregon Investment Advantage (OIA). OIA which truly provides an advantage in the first critical years of business start-up or significant expansion.

OIA is not a new gimmick. It is an existing program through which any type of business can receive an income-tax exemption (subtraction) for 10 years based on the income from its certified facility. OIA is intended to spur development in economically challenged parts of Oregon, primarily rural areas. Columbia County is one of those areas but is not currently eligible for access to OIA.

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Summarily, HB 3049 will simplify and clarify the program's expectations, parameters, and administration, including deserving counties for eligibility.

HB 3049 will simply improve and increase the effectiveness of the Oregon Investment Advantage in helping the counties and communities it is intended to help and those who need it.

Fundamentally, HB 3049 will simplify certain calculations, better clarify areas of the statute, and provide for somewhat broader geographical use while maintaining revenue neutrality so that this tool can more productively serve targeted parts of Oregon.

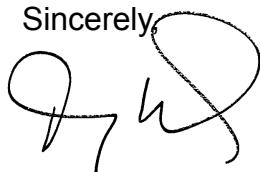
Specific changes are:

- A new eligibility methodology to consistently allow half (18) of Oregon's worst-performing counties to access OIA. (currently, only 14 counties qualify).
- To make OIA more easily implementable for employers, simplify payroll requirements to compare only employee wages to the county wage.
- Provide further clarity and certainty, making it completely plain that the period for income subtraction is 10 consecutive years, beginning when operations commence.
- Limit exempt corporate income for any one company to a maximum per tax year (as determined by the Legislative Revenue Office), to ensure revenue neutrality for the 2025–27 biennium.

As the term “revenue-neutral” indicates, HB 3049 is not a funding ask; Oregon Investment Advantage does not take money out of the state's or communities' pockets. Instead, it simply defers certain revenues to encourage and bolster investment in a way that helps eligible communities compete for investment and contribute for the long term to their local and Oregon economies.

We urge support of HB 3049.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tony Hyde', with a large, stylized loop at the end.

Tony Hyde
Board President

cc:

Senator Suzanne Weber

Representative Darcey Edwards

Representative Cyrus Javadi

Oregon Economic Development Association