

Submitter: Andrew Brown

On Behalf Of:

Committee: House Committee On Revenue

Measure, Appointment or Topic: SB110

I previously submitted testimony to the Senate Committee on Finance and Revenue opposing SB 110. I am now writing the House Committee on Revenue to restate that opposition. My opposition is rooted in two concerns:

First, that allowing a business to receive a specific benefit from the income taxes paid by its employees would set a dangerous precedent. If a Major League Baseball franchise - a team with deep pockets, in one of the wealthiest sports leagues in the world - is worthy of income tax kickbacks, what's to stop other employers, new or existing, from demanding similar benefits? Will the TrailBlazers demand a share of their employees' income taxes in order to remain in Portland? Will Nike demand similar considerations to forestall future layoffs? Allowing the Portland Diamond Project (PDP) to redirect employee taxes for private benefit, rather than public good, is a dangerous game for the legislature to play.

Second, the math presented by the PDP's consultant (ECONorthwest) simply doesn't work: personal income taxes associated with an MLB payroll will insufficient to cover debt service on \$800 million of bonds unless that payroll grows exponentially in future years.

It seems as though these concerns fell on deaf ears in the Senate, so I want to emphasize another concern lurking behind the math: ECONorthwest does not work for the state legislature - they are a consultant hired by the PDP to justify its request. I urge the House Committee on Revenue not to rely on rosy projections paid for by the entity making the request for a public subsidy. To do so would be an abdication of your responsibilities to your constituents - it would be akin to the buyer in a real estate transaction relying on the seller's agent for advice. The House Committee on Revenue should hire its own outside consultant to evaluate the math...or at the very least, take the ECONorthwest projections with a massive lump of salt.

Thank you for your time and consideration.

Andrew Brown,
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