

Chair Nguyen, members of the Committee

My name is Josie Koehne of Washington County speaking only for myself on Hb 4084

I am not opposed to the permitting fast track in this bill. However, during this period of serious revenue shortfall due to HR1, HB 4084 proposes to take **\$40,000,000** out of the General Fund to weaken the existing requirements of Oregon's Enterprise Zone, purportedly to incentivize economic development. At a time when our SNAP benefits, schools funding and many social services of all kinds are being cut which will devastate those most vulnerable.

I have 3 objections to the Governor's bill.

First, It weakens the employment requirement in Section 10 B 2a by stating

"The sponsor and the business firm may agree to flexible hiring timelines, including phased or delayed hiring, if the firm demonstrates to the sponsor's satisfaction a clear plan for meeting employment or alternative performance criteria, including but not limited to job retention, improvements in productivity and revenue growth, over the course of the exemption period." This means an exception can be made for AI increasing productivity, which could eliminate many jobs.

As it currently stands, the requirement is only to hire at least 1 new fulltime employee over the company's pre-authorization headcount. Not a hard bar to meet. This bill would allow loopholes.

Second,

There is no reasonable reason to extend the enterprise zone duration beyond three years especially near large urban centers. The GF needs to recoup its investments as soon as possible by collecting city, county and state taxes. Oregon is already very generous with its industrial tax credit programs compared to other states especially since Oregon collects no sales tax and relies so much on income taxes. Five years is too long and 15 years for rural enterprise zones is an unnecessary tax giveaway.

And third,

There is no specific language in the bill to permanently disallow enterprise zones for data center development, which poses an excessive threat to an increase in our energy needs and increased costs, as well can increase air pollution and water demand with these costs passed along to other consumers unless specifically restricted.

For these reasons, I urge you to oppose this bill with these unnecessary revisions to our Enterprise Zone requirements especially at time where \$80 million would be much better spent in reducing cuts to social services and 14 agency budgets caused by HR1.