

Submitter: John Giacoppe

On Behalf Of:

Committee: Senate Committee On Finance and Revenue

Measure, Appointment or Topic: SB1586

Dear legislators,

In an era of unprecedented wealth disparity, we need to be certain that any economic development measures and policies we undertake will benefit everyone in our communities. SB 1586's proposed expansion of tax credits for assorted "advanced" industries related to semiconductor manufacture among other Oregon specialties will not benefit communities equally. Firstly, the sector that is most heavily using Oregon's existing CHIPS act tax credits are not manufacturers, but data centers. A small number of landowners, union electrical workers, and contractors will make a hefty payday on the development of additional data centers, but the communities that house these centers see mammoth increases to their electric costs, polluted groundwater, and very few local long-term jobs. Oregon schools lost over 240 million in property tax revenue due to data centers in 2024, and expanding these tax credits will worsen this revenue drought - hurting rural schools the hardest.

Additionally, the last three pages of SB 1586 are a naked attempt to override the democratic and public process that produced HB 4078 in 2014. That compromise opened a large portion of then-undeveloped land outside of Hillsboro's city limits to rezoning, in exchange for zoning lands further away from the city as rural reserve for 50 years. Much of the land ceded under the 2014 compromise has not yet been developed. We should honor the public process that produced HB 4078 and not revisit the urban growth boundary until either 2064 or until circumstances obligate revisiting the growth boundary.

Please plan for the economic development of all Oregonians, not just those with existing capital.