



OREGON
ASSOCIATION OF
NURSERIES

**Testimony before the House Committee on Revenue
HB 3454**

By Patrick Capper, Government Relations Director
Oregon Association of Nurseries
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Co-Chair Barnhart and Co-Chair Berger, I am Patrick Capper, Government Relations Director for the Oregon Association of Nurseries (OAN). I appreciate this opportunity to voice the nursery and greenhouse industry's support of HB 3454.

Oregon's nursery and greenhouse industry is comprised of 2,130 businesses, spanning 54,000 high volume production acres, and employs over 21,000 people. Over the past two decades, nursery operators have become a national economic force, with sales cresting \$1 billion in 2007. The nursery industry is an anchor to allied and services businesses that depend on a strong nursery industry and its ability to ship product to local and national markets. Over 74% of the nursery stock grown in our state leaves our borders – to customers east of the Mississippi River. Those dollars come back to Oregon.

However, the nursery and greenhouse industry has been hit hard by the rapid decline of home and business construction, high transportation costs, financial lending woes and a depressed national economy. Like other Oregon businesses, Oregon's nursery industry has been caught in this severe economic downdraft and are faced with business losses, decisions to reduce production or laying off employees. We have seen increases in competition and trade wars by other states and we have seen transportation costs skyrocket along with health care, energy and labor.

Further compounding the issue – and a reason that we are testifying

today – is that the legislature must recognize that nursery product is not an annual crop – there are plants that are in process that take years to get to market – at times between 7 and 15 years, and now face major hurdles in profitability. We are seeing – almost literally – profit going up in smoke as members have \$1 million burn piles (the plants they could not sell and missed their sale window).

In times of economic turbulence like we see today, it is worth serious consideration to examine ways to help businesses that are suffering losses that have not been seen in generations.

To date, it appears our economic recovery will be a long, slow process. With HB 3454, you have an opportunity to extend a helping hand to the Oregon business community. This bill provides some much needed tax relief to businesses that are suffering losses that have not been seen in generations.

We believe that HB 3454 provides several critical elements that will assist not only Oregon's struggling business community – but in particular the nursery and greenhouse industry. Providing nursery operations to identify net losses from prior year and make it a deduction. The flexibility of this law is recognition by lawmakers that aggregating net losses have a real impact on the long term productivity and employment of hard working Oregonians.

In these tough economic times, we believe that Oregon businesses are looking for a hand up, not a hand out. It will be repaid by the resiliency of the hard working economic engine of agriculture in the form of new jobs and the production of value-added products that bring new money to our state from our out of state customers. The OAN applauds the Revenue Committee for hearing this bill and its faith in Oregon business. The OAN encourages your support of HB 3454.

Thank you for your time and consideration. I am happy to answer any questions you might have.