

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass the A-Engrossed Measure

Vote: 3 - 0 - 2

Yeas: George, Monroe, Shields

Nays: 0

Exc.: Bonamici, Boquist

Prepared By: Patrick Brennan, Administrator

Meeting Dates: 5/11

WHAT THE MEASURE DOES: Directs state agencies to submit information about tax expenditures that have a purpose connected to referenced economic development to the Department of Administrative Services for posting to the Oregon Transparency website. Applies to applications for tax expenditures approved or certified by state agencies in fiscal years ending on or after June 30, 2011. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Transparency in government
- Provides the public with a more complete view of state expenditures

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Oregon taxpayers spent more than \$350 million last biennium on programs designed to promote economic development, largely through tax credits and property tax abatements. It can be problematic for the public to access information on who is receiving these tax expenditures, and to determine whether the intended results actually occurred. House Bill 2825-A requires the following information to be posted on the transparency website: name and address of taxpayer receiving tax expenditure related to economic development; the amount of tax expenditure received; the promised and actual results related to the project receiving the tax expenditure; and an explanation of the agency's certification decision.

Reporting on the following economic development tax expenditures is required: enterprise zones, reservation enterprise zones, rural renewable energy development zones, strategic investment programs, food processing equipment abatement, electronic commerce enterprise zones, film production development contributions, film production labor rebates, small city business development credits, long-term enterprise zone facilities, and manufacturing and renewable energy components on the business tax credit.