

Testimony in support of SB 546

April 3, 2013

Chair Burdick and members of the Senate Finance & Revenue Committee, my Name is John C. Powell representing AT&T in support of SB 546. Thank you for your time and the opportunity to testify today.

The Issue:

SB 546 addresses the narrow topic of data centers built in Oregon within enterprise zones. The bill seeks to amend current law so that all taxpayers/businesses that build data centers within enterprise zones are treated equally under the law.

In the 2012 Legislative session, the legislature passed SB 1532 into law, which is codified in Oregon Laws 2012, Chapter 103, Section 3. The specific provision in the law found in sub-section 3 (b) (A) through (B) is problematic for businesses that have made large investments in Oregon because it limits the law's benefits only to businesses who have little to no investment in our state. In other words, it creates a situation where one business may be eligible for incentives to build a data center within an Oregon enterprise zone, but a competitor seeking to build the exact same thing in the exact same enterprise zone will not be eligible for incentives.

The reason for this inequitable treatment is that the current law only grants incentives to businesses whose original cost of construction of all property owned/leased in Oregon is less than 5% of the original cost of all data centers owned, leased or used by the company in Oregon. So the end result of the current law is that it favors businesses with minimal investment in Oregon while penalizing businesses that have made large investments in our state.

What SB 546 Seeks To Do:

SB 546 seeks to amend current law to level the playing field so that any business seeking to build a data center in Oregon within an enterprise zone will be eligible for the same incentives. The bill does this by deleting the aforementioned "5% language" found in sub-section 3 (b) (A) through (B) of Oregon Laws 2012, Chapter 103, Section 3, while grandfathering those businesses that have previously entered into an enterprise zone agreement to build a data center under the current law. Thus the goal of SB 546 is to ensure a level the playing field going forward and put Oregon at the top of the list for the growing data center industry.

On behalf of AT&T we urge your support of SB 546.

Thank You,

John C. Powell