



HB 2284: Industrial Site Preparation Loans

Testimony for House Land Use 2.12.2013 by Pat Story

Tax Fairness Oregon understands the value of preparing market-ready industrial sites suitable to help bring traded-sector development into the state and potentially enhance tax revenues in the future.

HB 2284 seeks to have the Oregon Business Development Department establish an "Oregon Industrial Site Readiness Program" to make loans to landowners for the market-ready development of their sites. These proposed loans are 50% forgivable if the owner contracts with an "eligible" employer within 5 years. An eligible employer is one who has hired even a single full-time employee who earns the county or state average income, whichever is less.

The bill should set higher standards. More than one job, and salary earnings that meet the higher of state or county average income would be more appropriate.

The language of the bill is worth attending to, because it reveals a remarkable, and to many of us, a new attitude toward taxpayers' money. Subsection 1(4) stipulates that

Public assistance is necessary to overcome development-related constraints and to incentivize industrial site development in this state.

Furthermore, subsection 1(5) continues that "The state of Oregon . . . is the primary beneficiary from increased income tax revenues" that might possibly be generated in the future by industrial site development, and these income tax revenues "should be shared and invested in" industrial site development.

This is a remarkable claim—that public money must be shared with private investors. It is surely not a tenable claim.

Tax revenue that is created with public help must go to public needs—schools, state police, health care and the rest. **State loans to help owners develop their land for industrial, that is, profitable use, must not be forgivable.**