



Testimony of Andy Duyck

Chair, Washington County Board of Commissioners

Before Senate Finance and Revenue Committee

March 13, 2013

Chair Burdick and members of the committee, I'm Andy Duyck, Chair of the Washington County Board of Commissioners.

I appreciate the opportunity to again visit with you about Gain Share and offer some comments regarding SB 314 and SB 223. My remarks will be short to allow others to provide comments today. I want you to know that we have additional county staff available to provide follow up for questions.

As I said at the hearing in February I believe the 2007 legislature got it right with Gain Share. It was a state policy that effectively provided an incentive for local governments to continue to sign SIP agreements. The motivation for this policy was simple:

- Gain Share provided local government with "added value" to use when evaluating SIP agreements and as an important "value" for tax payers who typically don't like tax incentives being offered to selected businesses.
- Gain Share established an important relationship with the state and allowed us to move forward as partners establishing a financial role for the state in attracting business investment.

During the spring of 2012 when Washington County was informed by Department of Administrative Services (DAS) that there was a gap in clarity in statute and the agency would not be able to issue our first Gain Share check I became immediately concerned about the County's budget. Certainty is a critical factor for anyone involved with government budgeting.

The reason I bring up "certainty" with this conversation is because having been through this process I want to see certainty for Gain Share in the future. I want the Legislature to live up to their end of the commitment made in 2007. Washington County has signed 6 SIPs to date with Intel, IDT, and Genentech. Through 2012 Washington County and local taxing districts have forgone more than \$650 million in our local tax revenue.

County Administrative Office

155 North First Avenue, Suite 300, MS 21, Hillsboro, OR 97124-3072
phone: (503) 846-8685 • fax: (503) 846-4545

There are eight other counties who have signed SIPs across Oregon. These agreements established a 15-year commitment from all parties. I believe that because SIP is a success in Oregon we should add another ten years to the 2019 sunset date for Gain Share. This would provide at least a starting point for securing a long-term commitment from the State.

You have SB 223 and SB 314 in front of the committee today. We believe both offer the technical fix necessary. SB 223 provides the fix in one page, while SB 314 provides this technical fix in three pages. The one important distinction between the two bills that SB 223 has a 10-year extension in the sunset for Gain Share. Washington County is joined today by others who support a sunset extension to 2029. This extension is a small step forward to help establish certainty for Gain Share as an important local government incentive.

There should be no question that Gain Share provides added value to local government to negotiate SIPs. I need this tool to convince my tax payers that when we forgo tax revenue the state is with us as a partner in the future. I believe the State needs this tool if they want to continue to attract business investment, grow jobs, and allow Oregon to compete on the national and international scale.

I'm hopeful you can join Washington County, local governments, and others that Gain Share should have a longer life and get us closer to more stability.