



February 3, 2014

House Committee on Revenue
Oregon State Capitol
900 Court Street NE
Salem, Oregon 97301

TO: Representative Barnhart and Committee Members

RE: Opposition to HB 4141: Relating to taxation by educational districts

The City of Hillsboro would like to express opposition to HB 4141, which reduces economic development tools for our communities. As currently written, HB 4141 would significantly diminish the effectiveness of the State's valuable Strategic Investment Program (SIP) and harm future recruitment of traded sector businesses. The City supports efforts to improve funding for school districts, but changes to the SIP proposed in HB 4141 will cause more harm than benefit.


The SIP is a valuable State economic development tool which provides great opportunity for high tech firms, high tech suppliers, and other capital intensive industries to invest in Oregon. Competition to recruit and retain these types of firms is at a national and international level. By modifying the current application of the SIP, Oregon's ability to compete globally and nationally would be damaged.

The SIP has helped recruit and grow companies across Oregon resulting tens of thousands of good jobs over the last two decades. Here in Hillsboro the benefits of the SIP can easily be seen. The two SIP recipients in the city employ over 17,000 employees. In addition, these two companies paid a combined total of \$23.39 million in property taxes in fiscal year 2013-14. According to a recent study by ECONorthwest, employment from one of the SIP recipients annually generates \$90 million in state income tax revenue, much of which is directed to education.

The changes, to the SIP, sought in HB 4141 will hurt the Oregon's ability recruit and retain businesses which in turn will negatively impact funding for schools. If the desire of this legislation is to have a conversation about tax incentives and funding for schools that should be done in a holistic manner and not through a piecemeal approach targeted at one or two successful programs.

Sincerely,

CITY OF HILLSBORO



Jerry W. Willey
Mayor