



March 24, 2015

Dear Senator Hass  
Chair Senate Revenue and Finance Committee  
Salem, Oregon

We are writing to you today to offer our support for SB 129. As you know, this bill provides a pathway for finding a long-term solution to Gainshare, a crucial component of Oregon's Strategic Investment Program (SIP). SB 129 provides a template for moving forward with a better balance of distribution of income tax revenues collected as a result of the SIP investments taking place in Oregon.

The distribution of funds in SB 129 provides value for all communities in Oregon and, in effect, shares the success of economic investment with education and economic development throughout Oregon, including rural communities. Because the focus of the bill is to make sure the benefits from only the largest investments are shared with other communities, current Gainshare distributions to Clatsop, Union, Sherman, Gilliam, Morrow, and Umatilla Counties will not be impacted.

It is also important to recognize that SB129 seeks a sunset extension of five years and to provide certainty for future Gainshare payments based upon when projects became eligible. All of Oregon will benefit from certainty and a more stable, long-term program.

Oregon is a unique place to do business. Economic incentives that are part of the local decision making process and tax structure are crucial for current and future business investment: Without SIP, Oregon would not have Intel or Genentech; without enterprise zones Crook County would not have data centers, which are critical for future economic development opportunities. In order to successfully compete with other states in attracting and retaining businesses, Oregon must maintain its limited but powerful incentives, such as SIP, Enterprise Zones, and Urban Renewal Districts.

Today we urge your support for the pathway that SB 129 provides. Among the many SIP/Gainshare related bills in the Senate and House, only SB 129 provides a balanced approach for moving forward.

Please join us along with AOC and its 36 member counties in supporting SB 129.

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