



## Senate Finance and Revenue Committee

### SB 938

This bill is a scaled down version of the SIP statute which requires very large investments and extends property tax breaks over many years. In this bill the range of qualified investment is \$2 million to \$10 million, and the duration is 3-5 years. At this scale, we anticipate the program could be very popular. It's fortunate that the duration of the agreements is limited to 5 years, but we need to see projections of its impact over the life of the program before we could support it.

Unfortunately, the bill makes no mention of schools' interest in the property tax exemptions. The authority to negotiate property tax limitations is put entirely in the hands of the county. Why are we giving away local school taxes to encourage business growth in this state? Both Democrats and Republicans are arguing that the initial funding level of the state's school budget is inadequate. We know that the state is responsible for making up inequalities in local school revenues. We've also heard Oregon's business leaders complain that Oregon is not putting enough funds into education.

Given that consensus, isn't it time to say to business investors that they can't have it both ways: more tax breaks and more education. TFO won't support this bill unless it exempts local school taxes from these business incentives.

4/7/15

*We read the bills and follow the money*