

**GINNY BURDICK**  
**State Senator**  
DISTRICT 18  
MULTNOMAH COUNTY  
WASHINGTON COUNTY



Office: Oregon State Senate  
Salem, OR 97301  
(503) 986-1718  
E-mail: sen.ginnyburdick@state.or.us  
District: 4641 SW Dosch Road  
Portland, OR 97239  
(503) 244-1444

## OREGON STATE SENATE

DATE: April 9, 2015  
TO: Honorable Representative Barnhart, Chair  
House Committee on Revenue  
FROM: Senate President Pro Tempore Ginny Burdick  
SUBJECT: House Bill 2070

Chair Barnhart and Members of the committee, for the record, my name is Ginny Burdick. I serve as the State Senator for District 18, which includes the city of Tigard and portions of west Portland.

I am here today in support of the -1 amendment to House Bill 2070, a much needed change to the existing Gain Share program. Gain Share was adopted in the 2007 legislative session (SB 954) at the request of Washington County. It was intended to be a modest compensation package to help offset the impact that employees added under the Strategic Investment Program (SIP) would have on existing county infrastructure. The original revenue impact statement forecasted \$600 thousand in Gain Share payments for the 2009-11 biennium and \$4.5 million for the 2011-13 biennium. However in 2015-17 biennium alone, it is projected that Washington County will receive \$95 million from the general fund.

In its advocacy for Gain Share, Washington County argued that compensation from the general fund was justified because the SIP agreements with Intel and Genentech reduce potential property tax revenue by millions. In reality, as we learned in a 2012 report from ECO Northwest, Intel is the largest property taxpayer in Oregon, and is responsible for approximately \$106 million in direct and indirect property taxes in Washington County per year.

Additionally, Intel employs 16,500 workers, 12,000 of which live in Washington County. The estimated income of these 12,500 workers is over \$2 billion, and serves as an economic driver for the local business community. According to a Bureau of Labor and Statistics report, dated February, 2015, Washington County's unemployment is at 4.9 percent.

These numbers are in stark contrast to many other counties in the State. Currently, eleven Oregon counties have an unemployment rate over eight percent, with five of those counties having an unemployment rate above ten percent. Given how well Washington County is doing, while much of the State is still struggling, I would wager many of those counties would sign a SIP agreement without any type of Gain Share program.

**GINNY BURDICK**  
**State Senator**  
DISTRICT 18  
MULTNOMAH COUNTY  
WASHINGTON COUNTY



Office: Oregon State Senate  
Salem, OR 97301  
(503) 986-1718  
E-mail: sen.ginnyburdick@state.or.us  
District: 4641 SW Dosch Road  
Portland, OR 97239  
(503) 244-1444

## OREGON STATE SENATE

Colleagues, Gain Share was a misbegotten program that needs to be reformed. If we don't take action, Washington County --one of the wealthiest counties in the State -- will receive nearly \$200 million from the general fund by the time Gain Share sunsets in 2019. Think about what could be done with \$200 million for schools and other critical programs over the next four years.

The -1 amendment to House Bill 2070 would reconcile Gain Share with the original intent of the legislation by capping payments to new jobs created. Of these funds, the total distribution to any taxing district would be capped at \$10 million, which is still twice over the amount the original revenue impact statement predicted for Washington County.

While I believe the Gain Share program is unfair and unnecessary, I believe this is a good bill that puts desperately needed dollars back into the general fund and the school funding formula.

Thank you for your time and consideration of the -1 amendment to HB 2070. I would be happy to answer any questions you may have.