



April 24, 2015

The Honorable Phil Barnhart, Chair
Members of the House Revenue Committee
900 Court Street NE, H279
Salem, OR 97301

Dear Chair Barnhart and Members of the Committee:

The Greater Gresham Area Chamber of Commerce writes to extend our full support for House Bill 2652, which would correct a longstanding technical and definitional error in the legislation governing the Strategic Investment Program.

The Strategic Investment Program is a critical statewide economic development tool that helps Oregon be competitive in attracting major traded-sector employers to our state. As a local Chamber of Commerce, we know how important it is to be competitive nationally and internationally in bringing major investments to our state.

Unfortunately, due to the methodology by which land is distinguished as “urban” or “rural” under the current statute, the program does not always provide for a fair and even playing field when it comes to the ability to compete for these investments on the regional level.

Under current statute, the defining quality of “rural” land hinges not on whether it exists within the current Portland Metropolitan Area Urban Growth Boundary (UGB), but on whether or not it did when the statute became effective in 2002. That means some land parcels on the other end of the region, now well within the UGB, are able to offer a lower cap for property tax purposes than urban land in our area of the region. That is both unfair and unnecessary, and we support an even playing field for all urban land in the region.

As an additional benefit, making this small but important change would also make the Strategic Investment Program’s urban and rural definitions the same as those within the Enterprise Zone, which would add consistency and predictability to our economic development efforts.

We believe that correcting the definition of urban and rural will eliminate the ability of true urban areas to offer a “rural” incentive, which should result in the loss of fewer property tax resources.

Also the change to the population threshold of what constitutes “rural” from 30,000 to 40,000 is very minor and should not have much of a revenue impact at all.

The proposed changes make the playing field fair, restore the integrity of the rural incentive, and make the SIP/SIZ consistent with language in the Enterprise Zone, providing for greater predictability in statute.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Bob McDonald".

Bob McDonald
Acting Executive Director
Gresham Area Chamber of Commerce