

The Honorable Ann Lininger, Chair  
House Committee on Economic Development and Trade  
900 Court St. NE, Rm. 140A,

Salem, Oregon 97301

Re: HB 2902 – Authorizes ports to acquire, construct, maintain and operate shipyards –

Dear Madam Chair and Members of the Committee:

We are writing to register our support for a modified version of HB 2902, authored by Oregon Public Ports Association. We don't object to allowing public ports to provide haul out facilities for use by boat owners and private contractors. We do object to allowing public ports to directly compete with private shipyards for new construction and repair work

In many instances, Oregon ports traditionally have provided facilities for shipyards but have leased these facilities to private sector businesses for operation of the facilities. Such operations fit in with the competitive nature of private sector businesses. In addition some ports may make their facilities available to boat owners to haul out boats so owners themselves can conduct repairs and maintenance or hire out such activity to private sector contractors.

State statutes are detailed about these specific authorizations for public port facilities in order to clearly delineate the authority of port districts and to encourage private entrepreneurs to provide services wherever necessary. This is because ports can unfairly compete with private sector businesses for the following reasons:

Public ports do not pay Oregon real property taxes.

Public ports do not pay personal property tax on equipment.

Public ports do not pay incomes taxes

Public ports enjoy limited liability under the Oregon Tort Claims Act, lowering insurance costs.

Public ports have access to special pooled, lower-cost insurance through the Special Districts Association.

Public ports have special access to capital through bonding, property tax assessments, and much greater access to public funding sources.

We do not object to allowing public ports to provide haul out facilities for use by boat owners and private contractors. We do object to allowing public ports to directly compete with private shipyards for new construction and repair work.

If a specific public port finds that existing private sector shipyards are insufficient to meet market needs, that port should come forward and identify such insufficiency. Otherwise, this legislation authorizes public ports to drive existing private shipyards and small marine repair companies out of business.

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