



March 8, 2017

Oregon Senate Business & Transportation Committee
900 Court Street NE
Salem, OR 97301

Re: Support of SB 173

Chair Beyer and Committee Members;

The Oregon Economic Development Association (OEDA) is a statewide non-profit organization working to support economic development professionals who are on Oregon's front line in diversifying and expanding Oregon's economy. OEDA's membership includes a mix of public and private entities from economic development corporations, cities, utilities and other stakeholders interested in attracting investment here in Oregon.

One of Oregon's biggest priorities in expanding our state's economy is, and should be, fostering growth in rural areas. As Oregon has seen unprecedented growth and recovery following the Great Recession, the rural areas of our state have experienced greater difficulty bouncing back. The non-metropolitan areas of our state also face higher unemployment and poverty levels. Fortunately, where we have seen growth in rural areas, at times it has been due to the use of our existing economic development tools, particularly leveraging the resources available through Long-Term Rural Enterprise Zones (LTREZ).

LTREZ's allow local government sponsors to attract investment in their communities by allowing employers to offset payroll costs with limited-duration tax exemptions or credits. This brings new jobs to rural communities, particularly jobs that pay more and typically provide greater growth opportunity for employees than the average jobs in these regions. Rural communities have more difficulty attracting larger projects and the LTREZ Governor discretionary tax credit helps them be more competitive. The legislature has built in thresholds to the available credits and each local government may place additional requirements on the investing business before approving such agreements.

Long-Term Rural Enterprise Zones and discretionary tax credits they provide, are good for Oregon and good for Oregonians. OEDA urges the committee to extend the sunset on these important economic growth tools and vote "yes" on SB 173.

If you have any questions regarding our written testimony, please don't hesitate calling me. I can be reached directly at 541-923-5223. We thank you for the opportunity to share our perspective.



Sincerely,

A handwritten signature in black ink that reads "Jon Stark". The signature is written in a cursive style with a long, sweeping underline.

Jon Stark
President
Oregon Economic Development Association