



SB 333A Making Changes to the Industrial Site Readiness Program

Testimony for Senate Finance and Revenue – Jody Wiser – 5.3.2017

We hope you will strengthen this bill.

The Secretary of State’s audit of Business Oregon found that businesses in our enterprise zones – getting 3-15 years of property tax abatement – are actually paying lower wages than jobs outside the zones. Here’s why:

SECTION 2, requires full time jobs that pay – **in total compensation** – at least 150% of the **county or state average wage, whichever is less.**

The 150% standard sounds good. And while it works just fine in rural counties, it means we subsidize substandard jobs in urban counties. Take for instance Washington County.

The 150% of state average wage standard means the Industrial Site Readiness compensation must be only \$72,483 (150% x the 2015 state average wage of \$48,322) rather than match wages and compensation in Washington County, which would require compensation of \$98,427 (150% x the 2015 Washington County average wage of \$65,618). That is, current law allows total compensation to be barely above Washington County’s average wage.¹

Please strengthen the compensation requirement, with an amendment that requires that all jobs at a site provide compensation at 150% of the county wage.

Further, this bill is your opportunity to again reconsider the idea that the state General Fund, rather than businesses, should pay for the infrastructure they need—from streets to water and sewer. You should end it.

If a new home must pay for the costs of not only the roads within their development, but also a fee toward impacts outside the neighborhood, why are you continuing this Gain Share program that means businesses don’t pay for even the infrastructure serving their property. “Shovel ready” industrial land makes sense, we get it that businesses want to act fast. But “shovel ready for free” does not.

We read the bills and follow the money

¹ These numbers are for 2015, the ones being used by Business Oregon through 2017.