



## **SB 468 An Unruly Expansion of a Tax Break**

Testimony for Senate Finance and Revenue – Jody Wisner - 2.16.2017

The only change in this bill that isn't a huge expansion is the first one, in lines 7 and 8. The remainder of the changes could significantly damage the General Fund by reducing education funding and damage local communities by reducing their revenue far beyond the intentions of the original law.

High value, centrally-assessed property should not be included. You cannot now predict what the next rural investments will be. Not long ago we had no wind farms or data centers in rural Oregon. But you do know that rural communities rely on those investments, and certainly the General Fund does as well. Unless you add language that excludes k-12 funding from this exemption, you should not allow local communities to make choices that will drain the General Fund of education dollars.

Nor should brownfields be included in this bill. It doesn't have the kind of restrictions that are in the brownfield bill passed last session, which should by itself provide more than enough benefit for truly orphan brownfield properties. This bill would allow an owner to buy a property at a deep discount because it has environmental cleanup requirements, and then also get the public to pay for the cleanup. Or let a business owner get the public to pay for the cleanup of a brownfield his business created. You already passed the brownfield bill that is needed.

By expansion to locations within cities as well as outside, you are essentially making a whole county an enterprise zone, and offering three years of property tax exemption, but without the employment or reporting requirements of enterprise zones, the must be added to this property tax break. In fact, SB 468 provides an excellent opportunity to include those requirements in the provision, as they were unfortunately not included when the original bill passed, and they should be if we are to have any ability to calculate the rate of return of this tax expenditure.