



SB 430: Emergency Preparedness Needs a Program, Not a Tax Credit

We applaud Senator Frederick for his attention to emergency preparedness. Oregon is in no way ready for an inevitable catastrophic earthquake, especially not for collapsing buildings, including schools. Nor have we created, as Senator Frederick notes, a stock of emergency supplies spread throughout populated earthquake zones.

SB 430 would create a refundable tax credit for the donation of shipping containers, to be placed on the grounds of government installations. We think a free-standing tax provision for containers is unlikely to meet the need Senator Frederick identifies, since the real cost will be in the contents.

- What mechanism would ensure that the containers are appropriate for the user? Some jurisdictions have found that rodents have had no trouble accessing the stored supplies.
- We assume that any containers donated under the credit are used and likely fully depreciated.
- It is unclear how the value of the shipping containers, for purposes of the tax credit, would be determined. What mechanism would determine the “retail value” of the containers? What oversight would ensure that values were appropriately determined? Is there, for example, an auction market for shipping containers?
- Refundable tax credits should be reserved for very special circumstances, like EITC. Not subsidizing businesses.
- Delivery and installation – who pays for that?
- Contents – who pays for that?

We think a more appropriate mechanism is the Legislative Assembly’s direction to the governor to create a solution. What facilities – existing or to be built – could hold emergency supplies? What items would be stocked? Who would stock them? How would they be secured? What training would be required to provide for their distribution? How would relief be coordinated with FEMA?

We anticipate that the program would require an appropriation through the regular budget or a grant from FEMA.

We urge the legislature and the governor to focus on the issue. But we don’t think a tax credit for shipping containers is the solution.