



April 29, 2019

Oregon State Legislators

Dear Legislators,

I had the opportunity to meet with a friend of mine, Jon Stark, on Tuesday, April 16, 2019. Jon told me about the new House Bill 3427 that involves the proposed State Gross Receipts Tax on businesses. After reading the proposal, I was astounded that such a bill would be proposed and actually pass in the House.

The tax burden on employers in our state is already higher than most states. I will grant you that all states have a way of taxing and the differences from one state to another will vary depending upon how the taxes are filed, what type of business you own and what available opportunities are acted upon. That being said, we have thought of moving our business from Oregon to another state because it could save us and our employees tax money that would increase our quality of living. This applies not only to the business owners but also to our employees. Recent changes to our state influence this decision. The most recent decision is the choice of an increase in minimum-wage, but other influences have been Measures 66 and 67, increase regulations on water, restrictions into public lands, changes to land use codes and more. These changes all influence my quality of life and what I hold dear to me.

The most recent legalization of marijuana is one more reason to leave because I don't see a cash business as being viable and honest in paying its tax burden. Most of the grow operations were in business before pot became legal, so they are already known criminals. Why would they be 100% honest in their claim for how much tax they should pay? These growing operations utilize up to 10 gallons of water per plan per day and enough electricity that could power a large neighborhood. These grow operations utilize a huge amount of natural resources and energy.

Please understand that I do not WANT to move but I feel the pressure to move as a result of how I feel perceived by my state government. I am under the impression that the state views

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me as a meal ticket – a means to pay for the give-away programs and PERS shortfalls that are plaguing our state.

We currently are planning a new building on a lot that we own. This lot is adjacent to our current location in Redmond. The announcement of this new bill changes my view of the future of my business in Oregon. On April 17th, I called our architect and contractors. I had stopped all work on the new building that would be 27,545 square feet of manufacturing and office space. I have since chosen to continue construction for the near future but I plan to stay to leave the state altogether. I travel for trade shows and distributor visits and my new plan is to stay in these locations for a few additional days to shop for new warehouse space to purchase. The locations where I am already traveling are Nevada, Tennessee, Utah and Florida. I will make plans to visit Texas, West Virginia and Wyoming. I have already tasked my accountant to review which state would be best for me and my business to move to in an effort to remain a viable company providing the best living situations for my employees.

While there are many facets of Oregon life that I enjoy, these facets are being limited, removed, restricted, taxed and penalized to the point where we cannot remain. If the HB 3427 passes the Senate, we will move. If it doesn't pass, we will have to weigh out our values and choose to either stay or continue our plans to leave. We are tired of being financially punished by Salem to pay for the over spending. We cannot take this any longer and changes MUST be made in Salem to put a stop to this bedlam of horrors on businesses.

We will wait to see what transpires.

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