



Marion County
OREGON

Board of Commissioners

June 20, 2019

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Senator Mark Hass, Chair
Senator Cliff Bentz, Vice Chair
Senate Committee on Finance and Revenue

**BOARD OF
COMMISSIONERS**

Sam Brentano
Kevin Cameron
Colm Willis

**CHIEF
ADMINISTRATIVE
OFFICER**

John Lattimer

Re: Letter of Support HB 2053-B Engrossed – Rural Industrial Tax Exemption

Dear Chair Hass, Vice Chair Bentz and Committee Members:

Marion County considers the rural industrial tax exemption program created by SB1565 (2016) as a valuable rural development tool that helps a rural business defer new taxes until a new investment starts producing new revenues. The program creates benefits that are similar to an enterprise zone except for being site and project specific. The program favors business operations with long-standing ties to the community because each applicant is responsible for gathering approval from taxing districts constituting 75% of the assessment against the subject property. In rural Marion County that typically requires the county, the school district, and the fire district to support the application.

In reviewing an application from a long-standing agri-business in Marion County, we encountered two statutory provisions that make the program unusable in common situations, and which run counter to our goal of encouraging investments in agriculture innovation.

Amendments to the program included in HB 2053 ensure that the site of employment gain is the location cited in the application for exemption not a state-wide company total, and clarifies that the effective date of the obligation is determined by applicant and local government not later than the end of the first property tax year. This addresses concerns that employment could be required before the project is completed.

We urge the legislature to pass HB 2053-B for the rural industrial tax exemption program.

Sincerely,


Kevin Cameron, Chair


Sam Brentano, Vice Chair


Colm Willis, Commissioner