

February 6, 2020

Oregon House Committee on Revenue  
Chair Nancy Nathanson  
Members of the Committee

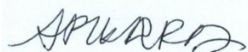
**OEDA opposes House Bill 4010.** Oregon's 86 Opportunity Zones are largely located in rural areas and help to stimulate economic development by encouraging long-term investment in Oregon communities. Our member communities are receiving significant interest in reinvesting local capital in their community – capital that otherwise would remain in other investments or be deployed to other assets or states.

**Projects in Opportunity Zones address a range of community uplift objectives from job-creating projects to housing development – all project types bring community benefit and increase property tax revenue.** Disconnecting from federal code will penalize Oregon investors by treating them differently, denying Oregonians seeking to deploy capital locally the same benefits as those who invest elsewhere or as out-of-state investors. Disconnection will create complexity and confusion. Disconnecting will not eliminate Opportunity Zones in Oregon, but it will instead compromise the eligibility of Oregon taxpayers to realize the capital gains incentives in future years for Oregon investment, while out-of-state taxpayers or corporations can still receive the benefit. At-best, this will lead to out-of-state ownership and control of Oregon assets. At worst, it means no investment in our neediest areas.

We've included in our submission illuminating comments and signatory support from a number of communities who share in our message and want you to know what this tool has meant for their communities: La Grande, Albany, McMinnville, and Redmond among many others. Oregon has only a select few tools to incentivize economic development. **By diminishing the value of this incentive, House Bill 1040 would discourage local investment and isolate Oregon from key capital markets at a time when Oregon communities are desperately seeking to spur interest in projects that breathe life and promise into our communities.**

OEDA urges you to vote no on House Bill 1040 and reject the decoupling of Oregon's Opportunity Zones from the federal program. I thank you for your time.

Sincerely,



Avery Pickard, Executive Director

*OEDA is the statewide association for Oregon's economic development community that works on the front line in job creation and expansion of Oregon's economy.*