



**P.O. Box 422 Gresham, OR 97030**

Representative Nancy Nathanson, Chair  
House Committee on Revenue  
900 Court St. NE H-279, Salem, Oregon 97301

**RE:** Letter for HB 4010  
**Date:** February 8, 2020

Dear Rep. Nathanson and the House Committee on Revenue:

My name is Jarvez Hall and I am the Executive Director of The East Metro Economic Alliance (EMEA). EMEA is a non-profit organization comprised of businesses, chambers of commerce, and public agencies working together on issues vital to economic development in the East Metro region. EMEA serves East Portland, Fairview, Gresham, Troutdale, and Wood Village.

EMEA strongly opposes HB 4010 which would disconnect Oregon from the federal Opportunity Zone program. This would disallow capital gains tax deferral benefits on Oregon Investments. Not only would this disincentive private investment into Oregon, it will also encourage more private investment dollars to move out of the state. Governor Brown designated areas in East Portland, Gresham, Fairview, and Wood Village at Opportunity Zones and these areas have some of the highest concentrations of poverty in the state and are in urgent need of private sector investments for economic development.

One assumption of those who crafted this bill is that disconnecting from this federal program will bring more tax revenue to the State. This is likely not the case. These capital gains, particularly in the short-term, will not be subject to Oregon tax. These gains will either be invested in an opportunity zone in another state or be placed in a 1031 exchange. Also, the owner of the asset can simply choose not to sale the asset. Any of these alternate outcomes would hurt our communities, reduce economic activity in our state, and not increase state tax revenue. We see no reason for this bill to move forward.

Opportunity Zones are designed to encourage private investment in economically distressed areas by incentivizing medium and long-term investment. Rather than have investment dollars sitting idle in 1031 exchange accounts, these funds can be used to invest in our local communities and can make the difference in financing development.

In short, HB 4010 creates needless disincentives for investment in our communities and encourages Oregon investors to invest their money out of the state. We need every tool possible to create thriving communities and we ask that the state legislature partner with us and we ask you to reject HB 4010.

Thank you for your consideration.

**Jarvez Hall, MBA**  
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The East Metro Economic Alliance (EMEA) is a non-profit organization comprised of area businesses, chambers of commerce, other non-profit organizations and public agencies working together to shape the future of East Metro through economic advocacy. EMEA builds consensus and promotes action on issues vital to the economic development and livability of the East Metro region including East Portland, Fairview, Gresham, Troutdale, and Wood Village.