

February 19, 2020

House Committee on Revenue
Oregon House of Representatives
900 Court St NE
Salem, OR 97301



McMINNVILLE AREA
CHAMBER of COMMERCE

Testimony in Opposition to HB 4010

Dear Chair Nathanson, Vice-Chairs Marsh and Reschke, and Esteemed Members of the House Committee on Revenue,

On behalf of the McMinnville Area Chamber of Commerce, I write to you today in opposition of HB 4010, which would disconnect Oregon from the Federal Opportunity Zones Incentive Program.

The Chamber wishes to echo and underscore the sentiments expressed by Scott Cooper of the McMinnville Economic Development Partnership (MEDP) regarding Opportunity Zones – namely that they are a highly valuable tool being actively utilized by economic development professionals across the state.

In McMinnville, these zones have helped MEDP and our City planning officials in their efforts to facilitate the development of the Rivergate Area – a 28-acre mixed use industrial site. In a highly competitive environment for spurring investment and economic development, these dedicated professionals need every available tool in their toolboxes to maintain the attractiveness of local communities as great places to start, locate, or expand businesses. Through an Opportunity Zone, capital can be reinvested in equity in local businesses, which creates housing and employment opportunities.

There appears to be no clear upside to passing HB 4010, and the negative consequences of disconnecting Oregon from the Federal Opportunity Zone Program are much more evident. Investors, whether they are based in Oregon or out-of-state, will continue to protect capital gains from taxation by taking advantage of Qualified Opportunity Zones elsewhere or simply by holding on to their taxable assets. Several Certified Public Accountants have submitted testimony on this matter, stating that HB 4010 would create complexity and confusion for taxpayers and make Oregon inherently less competitive at the national level in terms of capital investment. We encourage the members of the committee to take their testimony to heart and oppose HB 4010.

When Governor Brown's nomination of qualifying census tracts for inclusion in the Opportunity Zone Program resulted in 86 Zones being created in Oregon, the Chamber supported our local elected officials and economic development professionals in their efforts to establish an Opportunity Zone in our area. It would be unfortunate for our local community to lose out on the residential and business development opportunities being pursued by the passage of HB 4010 this session.

To quote Mr. Cooper's submitted testimony on this issue, *"In an environment where economic development is very much tied to local investment and "grow your own" strategies, it would seem placing an impediment for the opportunity to invest locally to be disadvantageous. Let the process continue to work and promote more options for smaller and rural community projects."*

Please vote NO on HB 4010.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Gioia Goodrum'.

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