

Date: June 9, 2021
To: Senate Committee on Finance and Revenue
Re: Support for HB 2343B
From: Mallorie Roberts, Legislative Affairs Manager

Chair Burdick, Vice Chair Boquist, Members of the Committee,

On behalf of the Association of Oregon Counties (AOC), representing Oregon's 36 county governments, I offer the following comments in strong support of House Bill 2343B.

AOC has long supported Enterprise zones as a tried and true economic development tool that allows local governments to use their own property tax revenue to spur job creation -- 30 of Oregon's 36 counties are currently zone sponsors.

HB 2343B would allow the local governments that sponsor enterprise zones to temporarily waive eligibility thresholds for businesses that are unable to meet program requirements due to COVID-19 impacts. We know that employers have experienced unforeseen challenges over the last year including supply chain disruption, decreased sales, and output reduction, which unfortunately resulted in layoffs. Companies nationwide are now reporting difficulty rebuilding their workforce because of ongoing health concerns and scheduling challenges due to lack of childcare for school aged children.

Enterprise zone employers now risk losing tax abatements due to forces beyond their control -- this unplanned tax liability only further threatens key traded-sector employers that anchor and support our local economies. It is fair and appropriate for the legislature to allow local governments to temporarily waive thresholds for employers that can demonstrate public health related hardships so these companies can direct their resources to stabilization, rehiring, and supporting local economic recovery.

AOC appreciates the significant amount of work and compromise that went into the development of HB 2342B and urges the House Committee on Revenue to move HB 2342-A to the Floor with a do-pass recommendation.