



Date: April 4, 2023

To: Chair and Members of House Revenue Committee

From: Scott Bruun, OBI

RE: Testimony in opposition to HB 3011 / Enterprise Zone constraints

Chair Nathanson and Members of the Committee:

I am Scott Bruun, director of tax, fiscal and manufacturing policy for Oregon Business & Industry. OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians.

Thank you for the opportunity to testify this morning, we are in strong opposition to HB 3011.

Positive legislative conversations

Let me first say that we have had some excellent and very welcome conversations this session. Conversations about economic development and prosperity, about investment and job growth, about regulatory reform, and about beginning to address the serious issues that have made Oregon's business climate so much worse over recent years.

These conversations have happened in the revenue committees, the Ec-Dev and Small Business Committee, the Joint Semiconductor Committee, Rules and others, and they have collectively given this session an air of positivism and potential progress the likes of which we haven't seen in quite some time.

HB 3011 would damage Oregon's competitiveness

HB 3011, however, is the opposite of positivism and progress. HB 3011 would slow, diminish and complicate one of the state's most successful economic policy tools, the enterprise zone. Under the misnomer of "transparency and coordination," this bill would curtail the ability of local governments to negotiate and secure jobs-producing enterprise zone investments. In short, the bill would diminish the competitiveness of local governments which, de facto, means that the bill would diminish Oregon's competitiveness.

Bill is vague and unworkable

The bill reads as if it's targeted against a specific industry and even a specific industry player. If true, that's unfortunate. The bill also reads as if the state knows better than local governments about what is helpful for local communities. That too, if true, is unfortunate.

The bill is overly vague. Sections 2 on infrastructure use; Section 3 on non-statutory benefits; Section 7 again on infrastructure use and meetings to be convened by Business Oregon all scream for additional clarification.

The provisions around services to the retail sector and eligibility, in Sections 4, 8 and 12, target an industry and begs the question, if a business project otherwise qualifies, why should it matter what the business' primary activity is?

And then let me just say that the employees per square foot and county population metric used in Sections 5, 9 and 13 is one of the more painfully and artificially contorted metrics in recent memory. It would certainly mean, however, that cities within Oregon's bigger counties may no longer be eligible for active participation.

Support jobs / reject HB 3011

Madame Chair, Members of the Committee, HB 3011 would handicap our successful enterprise zone programs. It would increase costs and reduce the value of a proven tool for local communities. And I would urge this committee to not second guess our local communities on the value of a job, or the value of a type of job, as determined by those local communities.

Every job is important, and every job matters. That's why we urge you to reject HB 3011

Thank you.

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