Explanation on my NO vote on HB 4200:

This was a hard vote. I will list the positive aspects of the bill before moving on to why I ultimately voted against it.

I am in favor of developing economic tools—including giving companies willing to expand in Oregon the predictability about their tax structure—to promote job growth in Oregon. We need to act expeditiously as well as prudently to balance the short-term needs of recovering from a recession, as well as the long-term needs in our State. We desperately need family wage jobs to fund education, public services and infrastructure.

I appreciate Nike's unique history in and contribution to Oregon, and I welcome their planned expansion. Our State benefits from the high quality jobs Nike offers, the taxes it directly generates, the indirect jobs it supports, its leadership in environmental and diversity initiatives, and Nike's corporate, foundation and employee donations to the community. I support working constructively with Nike and other companies to facilitate their growth.

I respect the Governor's efforts over many decades to bring innovation to help move Oregon ahead. I appreciate the members of the Special Committee on Economic Development, who spent many hours on short notice to improve the original bill. I strongly support their changing the sunset from ten years to one year, to allow the Legislature more time during the 2013 Regular Session to consider the bill's implications.

Finally, I am deeply appreciative of the public, who put aside their daily activities with little notice, to communicate their thoughts with me and to testify to Salem.

The following concerns compelled me to vote No:

My strong preference would have been to debate this bill in the Regular Session in the context of comprehensive revenue reform. Given the State's perceived need to handle this bill on an emergency basis, I regret that the Special Session was not announced several weeks—rather than four days—before the vote, allowing for a more thoughtful process of the bill's implications.

As a result, I remain concerned about certain provisions in this bill, as well as the bill's precedent for how we shape broader and longer-term legislation in 2013. While I advocated with others for more specific language around family wage jobs, checks and balances in the contract process, and greater overall transparency, the remaining barrier for me was 30-year guarantee on corporate tax structure in return for a company's 5-year commitment to jobs and capital investment. HB 4200 permits a deal that could allow a company to sell its property and downsize its workforce after 5 years, yet requires Oregon to honor its end of the bargain for the following 25 years.

I believe in the principle of reciprocity in contract duration: locking in a tax structure as long as the company maintains its net increase in jobs, and/or a maximum of 10 or possibly 15 years. The economic landscape may be very different in 10-15 years, with new economic tools that better balance job growth incentives, state fiscal health, and fairness to all taxpayers. A different public revenue structure may obviate the need for this tool.

Tying up our tax structure for 30 years, when our children are in our place making these decisions, strikes me as shortsighted policy. In addition to the impact of this more narrow bill, I worry that the 30 year duration becomes a precedent for our 2013 legislation, potentially affecting an even great number of companies and further compromising our ability to implement comprehensive tax (and tax break) reform.

We need to give the public and future legislatures the ability to weigh the pros and cons of all tax structures to promote sustainable job creation and the public good.