



from the office

of

Senate Republican Leader Ted Ferrioli

FOR IMMEDIATE RELEASE
Mar. 7, 2017

Jonathan Lockwood
Communications Director
971-645-2140
Jonathan.Lockwood@OregonLegislature.gov

Infuse rural Oregon with capital by reforming tax code

SALEM, Ore.-Today, Senate Republican Leader Ted Ferrioli, of John Day, testified on a proposal he introduced to help rural Oregonians fund essential services, such as police, fire and schools by distributing income tax attributable to state and federal employees back to the counties in which they live.

Ferrioli says the bill will strengthen rural Oregon by helping counties invest in essential infrastructure, and create jobs by infusing rural communities with capital.

"We can innovate with public policy and with Senate Bill 391 we are creating more opportunity for a struggling population. You will see a close correlation between counties with low employment rates and high federal land ownership," said Ferrioli. "Senate Bill 391 helps counties sustain their communities, especially in Eastern Oregon and Southern Oregon."

[Senate Bill 391](#), reallocates personal income tax revenues attributable to government employees from the state's general fund to the county.

[The proposal applies to counties in which more than 50 percent of the land base is government-owned](#), or where more than 50 percent of employment is in the government sector. Out of the nearly 62 million acres of total land in Oregon, almost 33 million acres, or 53 percent of the state, are owned by the

federal government.

While the federal lands are not subject to property taxes they create a high demand for services such as fire protection, public safety and roads. The costs of these services place a burden on local areas and the amount of foregone property tax revenue as a result of these tax-exempt land parcels is significant.

Currently, all personal income tax revenue is deposited into the state's general fund.

To watch the public hearing for the bill go [here](#). The bill is [not yet scheduled](#) for a vote in the Senate Finance and Revenue Committee.

###

For media requests please contact Communications Director Jonathan Lockwood at 971-645-2140, or Jonathan.Lockwood@OregonLegislature.gov.