Tax Fairness Oregon (TFO) unequivocally supports the remediation of orphan brownfield sites both to protect public health and also to promote economic redevelopment. However, TFO has to oppose HB 4084 as it is currently written for several reasons.

On the matter of principle, we have over 30 years of history in the U.S. and Oregon that bases remediation on the principle that the “polluter pays”. This can include the polluter, the property owner, or the property value itself. It is a basic principle that taxpayers should not be fined for pollution caused by others. However we understand that individual taxing districts may encounter special circumstances where they feel the overall common good is best served by public initiative in remediation of contaminated properties to allow economic or social redevelopment.

HB 4084 has a positive intent but has loopholes large enough to drive damaging tax breaks through. TFO proposes the following amendments, with rationale, to correct these deficiencies. Repairing these environment sites is important, but should not be done at the expense of education.

1. To prevent the erosion of funds available to K-12 and ESDs, the abatement of property taxes should not affect funding for schools.

2. Definition of Orphan Sites: The current definition of orphan sites is not sufficiently constrained by current regulation. This has a lot to do with the “due diligence” in finding potential funding sources and many sites are classified as “orphan” when private (polluter, owner or insurance) sources may actually exist. Neither ODEQ nor the taxing authorities have the resources to conduct these searches.

Any orphan site receiving tax abatement under this provision should have been out of productive use for five or more years.

The “fix” should involve the transfer of the site to a willing taxing authority for a nominal charge in an assignable deed for subsequent transfer to the developer.

3. Limits on Individual Sites: Finally, there is the potential for single large sites to dramatically impact taxing authority capacity such that smaller sites cannot be addressed. We would propose a limit on tax abatement to no more than $300,000 per site. This would allow remediation of the vast majority of smaller orphan sites that have resulted from individually owned service stations, dry cleaners, and auto repair shops.

With amendments to address these issues, TFO would withdraw opposition to HB 4084 in the interests of improved local economic development opportunities.
We read the bills and follow the money

2.22.2016