

Common Myths about Oregon Enterprise Zones

(Aside from arguable matters that cannot be absolutely disproved, as well as common misunderstandings or well-meaning assumptions)

- Related to urban renewal areas and tax increment financing
- State-run program, in which state decides/processes business benefits
- Average uncollected property taxes per job are extremely high
- Zones have gone from being exclusively rural to largely urban/metropolitan
- Business firms face no requirement to report after pre-project proposal
- Tax incentives serve no purpose if not “needed” by business to make profit
- Zones ignore small business and only enrich large corporations
- Property generally depreciates to little value by end of tax exemption period
- Businesses often leave after tax benefits run out
- Zone business development overwhelms public services
- Zone tax savings cause businesses not to pay fair share for services
- Academic literature generally finds tax incentives to have no effect
- Tax incentives substitute ... or are intended to substitute ... for other efforts to overcome basic challenges to economic development
- Others? ...

Examples of Deficiencies in Program Knowledge/Metrics

(For which further research/analysis could provide objective answers that would decidedly inform public debate, even if never conclusively for everyone)

- Rigorous cost/benefit estimates, or general trade-offs, for taxes, growth, *etc.*
- Pay scale of employees hired in association with three-year exemptions
- Proximity of where new zone employees reside relative to the zone
- Long-term retention of businesses and jobs in the enterprise zones
- Controlled, statistical change in long-run local economic conditions, like what allows a zone to be designated.