

HOUSE COMMITTEE ON

TRADE AND ECONOMIC DEVELOPMENT

April 11, 2005 Hearing Room 343

8:30 A.M. Tapes 57 - 58

Corrected 10/14/05

MEMBERS PRESENT: Rep. John Lim, Chair

Rep. Scott Bruun, Vice-Chair

Rep. Jeff Merkley, Vice-Chair

Rep. Peter Buckley

Rep. John Dallum

Rep. Donna Nelson

Rep. Chuck Riley

STAFF PRESENT: Jim Stembridge, Committee Administrator

Erin Seiler, Committee Assistant

MEASURES/ISSUES HEARD:

HB 3350 – Public Hearing

HB 3061 – Work Session

HJR 29 – Work Session

HB 2179 – Public Hearing and Work Session

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

| TAPE/# | Speaker | Comments |
|-------------------|----------------|---|
| TAPE 57, A | | |
| 001 | Chair Lim | Opens the meeting at 8:34 a.m. Opens the public hearing on HB 3350. |

HB 3350 – PUBLIC HEARING

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| 008 | Jim Stembridge | Explains HB 3350, which expands areas in which businesses may qualify for business development income tax exemption. |
| 020 | Rep. Tom Butler | House District 60. Testifies in support of HB 3350. Submits and summarizes -1 amendments (EXHIBIT A). Submits and summarizes -2 amendments (EXHIBIT B). |
| 108 | Rep. Buckley | Asks for information about the success of Small Community Investment Program (SCIP). |
| 110 | Rep. Butler | Explains why SCIP has not been successful and that HB 3350, by eliminating several sunset clauses, would expand county applicability and should increase success of the program. |
| 136 | Rep. Dallum | Asks how long the long the counties in House District 60 have been amongst the top ten in unemployment. |
| 138 | Rep. Butler | Explains why the counties in House District 60 have struggled with unemployment and economic hardship. |
| 180 | Rep. Dallum | Expresses support for HB 3350. |
| 193 | Rep. Merkley | Asks what constitutes a new job within SCIP statutes. |
| 201 | Rep. Butler | Defines what qualifies as a new job or new business opportunity within SCIP participation statutes. |

- 236 Rep. Merkley Questions how the determination is made that a new business satisfies non-competition criteria.
- 241 Rep. Butler Explains criteria used by local municipalities to determine whether a business satisfies non-competition criteria.
- 300 Rep. Nelson Asks why program participation cannot be expanded to include cities.
- 336 Rep. Butler Points out how unemployment and per capita earning data is reported only by county and how it would be “impossible under current reporting methods” to breakdown this data by cities.
- 349 Chair Lim Closes the public hearing on HB 3350. Opens the work session on HB 3061.

HB 3061 – WORK SESSION

- 358 Jim Stembridge Committee Administrator. Explains HB 3061, which allows Governor to appoint International Goodwill Trade Ambassadors.
- 371 Marty Brantley Director, Oregon Economic and Community Development Department (OECDD). Testifies in support of HB 3061.

TAPE 58, A

- 008 Rep. Merkley MOTION: Moves HB 3061 be sent to the floor with a DO PASS recommendation.**

VOTE: 7-0-0

AYE: In a roll call vote, all members present vote Aye.

REP. DALLUM will lead discussion on the floor.

Chair Lim The motion CARRIES.

- 020 Chair Lim Closes the work session on HB 3061. Opens the work session on HJR 29.

HJR 29 – WORK SESSION

- 025 Jim Stembridge Explains HJR 29, which encourages sending Joint Legislative International Trade Mission to China, Japan, Korea, and Taiwan.
- 027 Marty Brantley Director, Oregon Economic and Community Development Department (OECDD). Testifies in support of HJR 29.
- 036 Rep. Dallum Points out the importance of agriculture industry to the international trade market in Oregon and must be represented in international trade missions.
- 040 Brantley Explains that HJR 29 would allow adequate opportunity to plan international trade missions and to insure all Oregon industries are represented.
- 055 Rep. Bruun **MOTION: Moves HJR 29 be sent to the floor with a BE ADOPTED recommendation.**
- VOTE: 7-0-0**
- AYE: In a roll call vote, all members present vote Aye.**
- Chair Lim The motion CARRIES.**
- REP. BUCKLEY will lead discussion on the floor.**
- 069 Chair Lim Closes the work session on HJR 29. Opens the public hearing on HB 2179.

HB 2179 –PUBLIC HEARING

- 089 Jim Stembridge Committee Administrator. Explains HB 2179, which allows Director of Department of Consumer and Business Services to establish alternative regulatory options for purpose of encouraging emerging technologies. Submits and summarizes -1 amendments (**EXHIBIT C**).
- 104 Patrick Allen Regulatory Streamlining Manager, Oregon Office of Regulatory Streamlining (OORS). Testifies in support of HB 2179.
- 126 Jim Craven Lobbyist, Oregon Council American Electronics Association. Testifies in support of HB 2179.

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| 143 | Rep. Merkley | Asks who participated in the regulatory streamlining work group and if that work group supports -1 amendments. |
| 147 | Allen | States that building, trade, and contracting organizations were primary participants in the regulatory streamlining work group. |
| 159 | Rep. Nelson | Asks for an example of the type of high tech manufacturing equipment that would be considered for alternative regulatory options. |
| 168 | Allen | Explains the type of high tech electrical manufacturing equipment applicable for an alternative regulatory system. |
| 182 | Rep. Nelson | Expresses concern about why “we are telling Intel how to develop their technology” and is “doubtful that state needs to be in that business.” |
| 194 | Allen | Explains how OORS would be able to recognize new technology as it is developed and which would help building codes evolve in a way that is both flexible and effective, noting all technology is still subject to building codes. |
| 207 | Mark Long | Building Codes Division Administrator, Department of Consumer and Business Services. |
| 214 | Rep. Nelson | Restates concerns that HB 2179 will discourage future high tech development. |
| 234 | Long | Submits and summarizes Building Codes Division Fast Fact Report (EXHIBIT D) . |
| 265 | Rep. Nelson | Asks who was involved in drafting HB 2179. |
| 272 | Long | Lists the organizations’, building codes boards, and the cities and counties associations who participated in drafting HB 2179. |
| 290 | Rep. Nelson | Questions why high-tech industry employees were not participants and how Association of Oregon Counties (AOC) and League of Oregon Cities (LOC) would know the regulatory needs of private industry. |

- 298 Long Explains why AOC and LOC participated in HB 2179 work groups.
- 311 Long Speaks to how HB 2179 is a “proactive solution” for approving emerging technology from the high tech industry and will allow the Building Codes Division to work more efficiently and effectively.
- 344 Rep. Nelson Explains why HB 2179 is unnecessary.
- 375 Long Explains why regulatory streamlining is important before large scale public investments are made in new technology.
- 401 Allen Clarifies that HB 2179 is designed to give OORS flexibility in streamlining process because of uncertainty of what new technology will emerge.

Tape 57, B

- 012 Rep. Buckley Asks if in the future a similar streamlining approach will be applied to Oregon industries across the board.””
- 016 Long Affirms that widespread application of regulatory streamlining is something that the agency “would like to try.”
- 020 Rep. Dallum Reaffirms who participated in developing HB 2179 and in expressing support for the bill states, noting that “maybe it does not go far enough.”
- 043 Rep. Merkley Clarifies that employee and labor organizations were equally involved in drafting HB 2179.
- 057 Chair Lim Closes the public hearing on HB 2179. Opens the work session on HB 2179.

HB 2179 – WORK SESSION

- 061 Rep. Bruun MOTION: Moves to ADOPT HB 2179-1 amendments dated 04/04/05.**

VOTE: 7-0-0

Chair Lim **Hearing no objection, declares the motion CARRIED.**

072 **Rep. Riley** **MOTION: Moves HB 2179 to the floor with a DO PASS AS AMENDED recommendation.**

VOTE: 7-0-0

AYE: In a roll call vote, all members present vote Aye.

Chair Lim **The motion CARRIES.**

REP. RILEY will lead discussion on the floor.

089 **Chair Lim** **Closes the work session on HB 2179. Opens the public hearing on HB 3350.**

HB 3350 – PUBLIC HEARING

098 **Doris Penwell** **Policy Specialist, Association of Oregon Counties (AOC). Testifies in support of HB 3350 with -2 amendments.**

129 **Brad Higbee** **Representative, Renewable Northwest Project. Testifies in support of HB 3350 with -2 amendments.**

215 **Rep. Merkley** **Asks whether the property and income tax exemption both apply to renewable energy projects and asks what the difference is between Small Community Investment Program and Renewable Rural Energy Program.**

230 **Higbee** **States that -2 amendments add the Renewable Rural Energy Program to the statute and provide a property tax exemption.**

244 **Penwell** **Addresses the application and purpose of the property and income tax exemption program and explains why AOC and Renewable Northwest Project are using HB 3350 as a vehicle to create the Rural Renewable Energy Program.**

263 **Rep. Merkley** **Questions whether -2 amendments preserve the original intent of HB 3350 and if Rural Renewable Energy Program really is only “piggybacking” the original bill.**

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| 266 | Penwell | Confirms that Rural Renewable Energy Program is an addition to HB 3350 and has no impact on the original bill. |
| 280 | Jim Stenbridge | Committee Administrator. Clarifies that -2 amendments only add a new section to the bill without changing original bill. |
| 289 | Rep. Dallum | Asks how many jobs a community gains with the construction of each new wind generator. |
| 291 | Penwell | Explains how the benefits of the Rural Renewable Energy Program extend beyond the creation of new jobs. |
| 296 | Higbee | Identifies that each wind generator would create between ten and twenty jobs in Sherman County. |
| 314 | Rep. Dallum | Explains why ten to twenty jobs in Sherman County is a significant number of jobs. |

The following material is submitted for the record without public testimony:

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| | Arthur Fish | Business Incentive Coordinator, Oregon Economic and Community Development Department (OECDD). Submits information packet on HB 3350 (EXHIBIT E). |
| 327 | Chair Lim | Closes the public hearing on HB 3350. Adjourns the meeting at 9:52 a.m. |

EXHIBIT SUMMARY

- A. **HB 3350, -1 amendments, Tom Butler, 2 pp**
- B. **HB 3350, -2 amendments, Tom Butler, 3 pp**
- C. **HB 2179, -1 amendments, staff, 2 pp**
- D. **HB 2179, Building Codes Division Fast Fact Report, Mark Long, 4 pp**

The following material is submitted for the record without public testimony:

E. HB 3350, information packet, Arthur Fish, 4 pp