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**HOUSE COMMITTEE ON**  
**TRADE AND ECONOMIC DEVELOPMENT**

**May 2, 2005 Hearing Room 343**

**8:30 A.M. Tapes 65 - 66**

**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 Administrator**

**MEASURES/ISSUES HEARD:**

**HB 3063 – Work Session**

**HB 3143 – Work Session**

**HB 2174 – Public Hearing**

**HB 3307 – Public Hearing**

**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.**

<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 65, A</b>		
002	Chair Lim	Opens the meeting at 8:48 a.m. Opens the work session on HB 3063.
<b><u>HB 3063 – WORK SESSION</u></b>		
007	Jim Stembridge	Committee Administrator. Explains HB 3063, which authorizes State Department of Agriculture to issue grants to assist persons in constructing and operating livestock quarantine facilities designed primarily to qualify disease-free livestock for export. Submits and summarizes -1 amendments ( <b>EXHIBIT A</b> ).
017	Coy Cowart	President, Oregon Cattlemen’s Association (OCA). Testifies in support of HB 3063.
082	Cowart	Addresses how increase in international demand for livestock places a “tremendous need” on Oregon to have a quarantine facility.
110	Chair Lim	Clarifies that -1 amendments only allow for a feasibility study of constructing and operating a livestock quarantine facility.
121	Cowart	States that -1 amendments are “good amendments and the way to go.”
126	Rep. Dallum	Asks if the “sense of urgency” for build quarantine facilities is justified.
132	Cowart	Agrees that there is a “sense of urgency” and explains why Oregon needs to be prepared to enter the international market as soon as possible.
135	Rep. Dallum	Asks if OCA is willing to contribute to cost of a facility.
142	Cowart	Explains that OCA is proactive in rising funds to support the cattle industry, but have not discussed appropriating funds for quarantine facility.

156	Rep. Merkley	Questions whether it is really the role of the government to “put up the money” for an investment opportunity in a market economy.
171	Cowart	Explains why it is the responsibility of the government to protect private enterprise and commerce.
212	Rep. Merkley	Asks if the quarantine facilities will be used for importing or exporting livestock.
220	Cowart	Explains how facilities will be used to quarantine imported livestock.
230	Rep. Riley	Asks whether Oregon is “creating its own competition” by not currently exporting livestock and “ceding the herds in Asia.”
236	Cowart	Speaks to the weakness of the agricultural industry in China and how the nation is decades away from having functional quarantine infrastructure.
265	Rep. Nelson	Questions the need for the quarantine study and decision to delay construction of the facility until 2006.
278	Cowart	Acknowledges how OCA would prefer the original bill, but notes that without knowing where to locate a facility, a study is the best option.
303	Rep. Nelson	Recommends that the bill should move forward without –1 amendments.
320	Cowart	Agrees “100 percent” that now is the time to move forward with the project.
357	Rep. Nelson	Identifies a facility in Portland that should be considered as the site to develop a quarantine facility.
378	Rep. Dallum	Ask who is Oregon’s primary competition in the agriculture industry.
386	Cowart	States that it is South America.
390	Rep. Dallum	Asks if government funding is used to build quarantine infrastructure in other nations.

399 Cowart Identifies those governments who fund quarantine facilities.

**TAPE 66, A**

003 Rep. Dallum Restates the urgency to move on the quarantine study, noting that -1 amendments “trouble” him.

018 Chair Lim Acknowledges urgency, but explains that there are “so many unknowns -1 amendments are the appropriate way to accomplish this process.”

**024 Rep. Bruun MOTION: Moves to ADOPT HB 3063-1 amendments dated 04/11/05.**

030 Rep. Nelson States objection to -1 amendments.

047 Chair Lim Asks how much it would cost to build quarantine facility.

048 Rep. Dallum Estimates construction costs would be \$8 million dollars.

052 Chair Lim States that the uncertainty in cost indicates the need for a study to determine the guidelines for the most fiscally responsible way to approach project.

**064 VOTE: 6-1-0**

**AYE: 6 - Bruun, Buckley, Dallum, Merkley, Riley, Lim**

**NAY: 1 - Nelson**

**Chair Lim The motion CARRIES.**

**068 Rep. Bruun MOTION: Moves HB 3063 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means by prior reference.**

072 Rep. Nelson Restates objection to amendments and subsequent delay in the construction of quarantine facility.

**079 VOTE: 6-1-0**

**AYE: 6 - Bruun, Buckley, Dallum, Merkley, Riley, Lim**

**NAY: 1 - Nelson**

**Chair Lim The motion CARRIES.**

088 Chair Lim Closes the work session on HB 3063. Opens the work session on HB 3143.

**HB 3143 – WORK SESSION**

091 Jim Stembridge Committee Administrator. Explains HB 3143, which eliminates economic hardship requirements that areas must meet to be designated economic zones.

107 Doris Penwell Policy Specialist, Association of Oregon Counties (AOC). Explains the provisions of a pending amendment that is intended to resolve several issues of concern with HB 3143.

152 Arthur Fish Business Incentives Coordinator, Oregon Economic and Community Development Department (OECDD). Clarifies how proposed amendment would resolve the areas of conflict regarding enterprise zones.

194 Larry Glassock President, SEDCOR. Addresses why the “opt-out” provision for special districts is “just a bad idea.”

217 Glassock Explains how “opt-out” provision “erodes the integrity” of the enterprise zone system and increases the cost to government.

230 Glassock Urges that “opt-out” provision not be adopted.

235 Rep. Riley Questions the logic of removing the revenue of small special districts that are “barely making it at all” and the validity of the argument that allowing special districts to “opt-out” of enterprise zones would increase the cost on government.

247 Glassock Acknowledges that special districts have financial struggles, but states that without the economic development brought by enterprise zones the financial loss would be greater.

262	Rep. Buckley	Asks if there have been any situations where a company has asked for the five year option and whether there were any negotiations with a special district that was providing services at a net loss.
275	Glassock	Explains why a five year option would be a problem.
299	Jack Roberts	Director, Lane Metro Partnership. Explains why enterprise zones are Temporarilyessential to economic development in Oregon.
355	Roberts	Urges that HB 3143 move forward with -4 amendment.
365	Hasina Squires	Representative, Special Districts Association of Oregon. Speaks in support of moving HB 3143 forward with -4 amendments.
397	Rep. Bruun	Expresses support for moving HB 3143 with -4 amendments, points out how the bill has already been compromised and does not want the enterprise zone program further eroded.

**TAPE 65, B**

005	Chair Lim	Explains why HB 3143 will move forward as previously amended with -4 amendments.
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<b>020</b>	<b>Rep. Bruun</b>	<b>MOTION: Moves HB 3143 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Revenue.</b>
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025	Chair Lim	Acknowledges the concerns that OECDD and SEDCOR have with “opt-out” provision.
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**045** **VOTE: 6-0-1**

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

**EXCUSED: 1 - Nelson**

<b>Chair Lim</b>	<b>The motion CARRIES.</b>
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048	Chair Lim	Closes the work session on HB 3143. Opens the public hearing on HB 2174.
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### **HB 2174 – PUBLIC HEARING**

- 056 Jim Stembridge Committee Administrator. Explains HB 2174, which makes certain site preparation and planning costs eligible for payments in economic development projects.
- 069 Chair Lim Temporarily closes the public hearing on HB 2174 and opens the work session on HB 3143.

### **HB 3143 – WORK SESSION**

- 070 Rep. Lim **MOTION: Requests unanimous consent that the rules be SUSPENDED to allow REP. NELSON to BE RECORDED as voting AYE on the “MOTION: Moves HB 3143 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Revenue.”**

**VOTE: 7-0-0**

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

**Chair Lim The motion CARRIES.**

- 072 Chair Lim Closes the work session on HB 3143 and reopens the public hearing on HB 2174..

### **HB 2174 – PUBLIC HEARING**

- 080 Mike Salsgiver Legislative Affairs Manager, Oregon Economic and Community Development Department (OECDD). Explains how the pending amendment will change the statute.
- 107 Chair Lim Closes the public hearing on HB 2174.
- 115 Chair Lim Opens the public hearing on HB 3307.

### **HB 3307 – PUBLIC HEARING**

- 117 Jim Stembridge Committee Administrator. Explains HB 3307, which eliminates requirement that jobs made available to JOBS Plus Program

participants do not displace regular employees or fill unfilled positions previously established.

- 120 Rep. Nelson Explains the purpose and importance of HB 3307.
- 144 Marc Kane Lobbyist, Hire Calling Public Affairs. Submits and summarizes written testimony in support of HB 3307 **(EXHIBIT B)**.
- 316 Rep. Riley States dislike of the bill and questions willingness of employer to fill a vacant position if a company can utilize JOBS Plus subsidy.
- 329 Kane Addresses concerns of potential abuse of JOBS Plus program.
- 344 Rep. Nelson Explains that the JOBS Plus Program does have a system for regulating participating employers and preventing abuse of the program.
- 383 Rep. Buckley Asks if there is a problem with employers filling vacant jobs.
- 387 Kane Admits there is no indication that employers are having a problem filling, but raises issue of delays with processing job referrals because of administrative procedures.
- 400 Rep. Buckley Questions the need to move JOB Plus Program in this direction because there are already programs that match people with jobs.

#### **TAPE 66, B**

- 006 Kane States that the intent of HB 3307 is to remove requirement that JOBS Plus participants must fill new position.
- 010 Steve Lanning Political Director, Oregon AFL-CIO. Submits and summarizes written testimony on behalf of Tim Nesbitt in opposition to HB 3307 **(EXHIBIT C)**.
- 015 Rep. Nelson Asks for clarification and evidence in support of the statement, "JOBS Plus Program is not accomplishing its purpose."
- 035 Lanning Identifies what the Oregon AFL-CIO interprets to be the purpose of the JOBS Plus Program and how the program is not cost efficient.



040	Rep. Nelson	Explains why Oregon AFL-CIO needs “actual data” to support statement that the JOBS Plus Program is inefficient.
053	Lanning	Restates the opposition of Oregon AFL-CIO to HB 3307.
058	Chair Lim	Closes the public hearing on HB 3307. Adjourns the meeting at 10:17 a.m.

### **EXHIBIT SUMMARY**

- A. HB 3063, -1 amendments, staff, 1 p**
- B. HB 3307, written testimony, Marc Kane, 6 pp**
- C. HB 3307, written testimony of Tim Nesbitt, Steve Lanning, 1 p**