

CONFERENCE COMMITTEE ON HB 3143 #2

July 21, 2005 Hearing Room C

8:00 A.M. Tapes 3 - 4

MEMBERS PRESENT: Rep. John Lim, Chair
Rep. Mike Schaufler
Rep. Greg Smith
Sen. Betsy Johnson
Sen. Rick Metsger
Sen. Ben Westlund

STAFF PRESENT: Janet Adkins, Committee Administrator
Erin Seiler, Committee Assistant

MEASURES/ISSUES HEARD:
HB 3143C – 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 3, A		
001	Chair Lim	Opens the meeting at 8:02 a.m. Opens a work session on HB 3143C.
<u>HB 3143C – WORK SESSION</u>		
010	Janet Adkins	Committee Administrator. Summarizes the measure history. Submits and summarizes –C20 amendments (EXHIBIT A). Submits and summarizes –C21 amendments (EXHIBIT B). Submits and summarizes –C22 amendments (EXHIBIT C).
032	Rep. G. Smith	Discusses –C22 amendments, identifying the language relating to reciprocal communication responsibilities associated with applying for enterprise zone designation.
060	Rep. G. Smith	Cites language in –C22 amendments that gives the Oregon Economic and Community Development Department (OECDD) the authority to adopt rules relating to consent requirements for enterprise zone designations.
076	Sen. Johnson	Explains why special districts “need to be at the table” when discussing designating an enterprise zone.
102	Rep. G. Smith	Comments that if a project has merit, it should be able to withstand the scrutiny of all governmental entities affected by implementation of an enterprise zone.
123	Doris Penwell	Policy Specialist, Association of Oregon Counties. Referring to –C22 amendments, asks that counties be given consultation and consent authority when the jurisdiction of a ports’ enterprise zone overlaps into a county.
160	Penwell	Explains possible conceptual amendments.
175	Dexter Johnson	Deputy Legislative Counsel, Office of Legislative Counsel. Asks if the goal is to require any local government seeking an enterprise zone designation to have consent of effected municipalities.
195	Arthur Fish	Business Incentives Coordinator, OECDD. States that OECDD

		could resolve consent and consultation concerns by adopting administrative rules.
205	Sen. Johnson	Explains why there is an affirmative obligation to consult with special districts before approving an enterprise zone.
225	Fish	Speaks to the efforts of OECDD to notify and consult with all municipalities who could be impacted by an enterprise zone.
255	Sen. Johnson	States that because the an opt-out for special districts is not a supported option, there needs to be an affirmative consultation obligation.
260	Chair Lim	Expresses support for the conceptual amendment to include counties.
270	D. Johnson	Clarifies the intent of the conceptual amendment.
277	Rep. Schaufler	Questions if a promise by OECDD is sufficient to ensure the inclusion of special districts.
285	Fish	In reference to –C22 amendments, points out the additional requirements placed on OECDD to consult with special districts.
290	Rep. Schaufler	Comments that consults “is still just a promise.”
295	D. Johnson	Explains why the addition of the word “county” does not give a county “veto” authority.
310	Hasina Squires	Representative, Special Districts Association of Oregon. Discusses why special districts want to be able to opt-out of an enterprise zone.
340	Squires	Discusses why one local government should not be able to override the authority of another government.
365	Rep. G. Smith	Questions the extent of including special districts in enterprise zone negotiations.
375	Squires	States that when there is a potential for the abatement of property tax revenue, any effected special districts should be involved in negotiations.
380	Rep. G. Smith	Asks how a community attracts new industry if negotiations for an enterprise zone involve a multitude of municipalities.
385	Squires	Responds.
400	Rep. G. Smith	Comments that negotiating with small special districts, many who do not trust the county or city government, is “not a prudent method” of attracting economic development.
TAPE 4, A		
003	Sen. Johnson	Asks what the best way is to include special districts in negotiations process.
010	Squires	Clarifies that the intention is not to hamper economic development, but to allow special districts to opt-out of an enterprise zone.
020	Sen. Johnson	Points out that there is no support for opt-out or veto authority, thus the focus needs to be on finding a “meaningful point of consultation for special districts.”
025	Squires	Citing –C22 amendments, confirms that the language relating to consultation of local taxing districts is adequate.
030	Rep. Schaufler	Comments on the potential budgetary impact that the abatement of property tax revenue could have on a fire district.
040	Fish	States that it is only new property being exempted and the property tax exemption is only for three or five years.
055	Sen. Metsger	Discusses the responsibilities of OECDD to ensure that consultation occurs with all effected municipalities and all concerns are appropriately addressed.
080	Chair Lim	Asks whether the word “county” needs to be inserted into the

085	D. Johnson	language of –C22 amendments. Recommends the addition of the phrase “a port shall obtain prior consent of a county, prior to applying.” Asks if the intention is to require cities to get prior consent from ports and counties before applying to OECDD.
102	Fish	Explains why a similar requirement for cities would be logical.
111	Rep. G. Smith	Verifies the language of the conceptual amendment.
121	D. Johnson	Repeats the language of the conceptual amendment.
125	Sen. Johnson	Asks, if the port is coming to the county prior to designation, what does a port gain with this legislation.
130	Rep. G. Smith	Explains that the intention is to ensure that cities, ports, and counties are all working together when seeking an enterprise zone designation.
135	Sen. Westlund	Points out that the –C22 amendments will require the submission of one application.
140	Rep. G. Smith	Comments on the improvement in the ability to market enterprise zones.
145	Ken Armstrong	Representative, Oregon Ports Group. States that Oregon Ports Groups supports the amendments.
150	D. Johnson	Repeats the language for the conceptual amendments.
180	Rep. Lim	MOTION: Moves to AMEND HB 3143C on page 1, in line 15, after "enterprise zone." insert "A port shall obtain the consent of the governing body of the county prior to applying to the department for designation of an area as an enterprise zone," and on page 3, in line 9, after "a city," insert ", county".
		VOTE: 6-0-0
	Chair Lim	Hearing no objection, declares the motion CARRIED.
190	Rep. G. Smith	MOTION: Moves to ADOPT HB 3143-C22 amendments dated 07/20/05.
199	Rep. Schaufler	Comments on displeasure if fire firefighters are not consulted.
205	Chair Lim	Acknowledges the importance of special districts and that if special districts are not being adequately consulted the provisions can be amended.
225		VOTE: 6-0-0
	Chair Lim	Hearing no objection, declares the motion CARRIED.
230	Adkins	Submits a revenue chart on HB 3143C (EXHIBIT D).
237	Mary Ayala	Economist, Legislative Revenue Office. Summarizes the revenue chart, noting that there will not be any additional increase on the revenue impact by allowing reservation lands held in trust by the federal government to be an enterprise zone.
260	Ted Hughes	Representative, Cow Creek Band of the Umpqua Tribe. Explains why Cow Creek sponsored –C21 amendments.
300	Sen. Westlund	Asks whether there would be any restrictions as to where the Cow Creek Tribe could purchase land.
312	Hughes	States that the only restriction would be that it has to be land purchased and put in trust by the federal government.
320	Sen. Westlund	Verifies that the federal government must put the land in trust. Asks if the federal government has ever denied a request to put land in trust.
330	Hughes	States uncertainty of denial by federal government.
338	Sen. Johnson	Questions the ability of OECDD to deal with sovereign nations

345	Fish	inside this framework. Discusses the criteria for designating reservation land as an enterprise zone.
360	Sen. Johnson	Questions the point where it is not possible to require a sovereign nation to consult with anybody.
370	Fish	Explains how tribal enterprise zones are designated.
377	Sen. Johnson	Comments on the complicated nature of –C21 amendments and the need to consult with other tribes.
390	Sen. Metsger	Discusses the importance of consulting with other tribal entities and why this bill is not the appropriate way to extend enterprise zone authority.
 TAPE 3, B		
007	Rep. G. Smith	MOTION: Moves HB 3143C to the floor with the recommendation that the House CONCUR in Senate amendments dated 07/05/05 and that the bill be FURTHER AMENDED by –C22 amendments dated 07/20/05 and the measure be REPASSED.
 022		 VOTE: 6-0-0
	Chair Lim	AYE: In a roll call vote, all members present vote Aye. The motion CARRIES.
		REP. G. SMITH AND SEN. JOHNSON will lead discussion on the floor.
026	Chair Lim	Closes the work session on HB 3143C. Adjourns the meeting at 8:58 a.m.

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EXHIBIT SUMMARY

- A. HB 3143C, -C20 amendments, staff, 2 pp
- B. HB 3143C, -C21 amendments, staff, 2 pp
- C. HB 3143C, -C22 amendments, staff, 12 pp
- D. HB 3143C, revenue chart, staff, 1 p