

HOUSE SPECIAL SESSION COMMITTEE ON ECONOMIC GROWTH AND JOB DEVELOPMENT

September 11, 2002 Hearing Room 357
8:30 am Tape 13

MEMBERS PRESENT: Rep. Jeff Kropf, Chair
Rep. Alan Brown
Rep. Elaine Hopson
Rep. Kathy Lowe
Rep. Greg Smith

MEMBER EXCUSED:

Rep. Al King
Rep. Tim Knopp

STAFF PRESENT: Ray Kelly, Administrator
Nancy Masee, Administrative Support

MEASURE/ISSUES HEARD: Reconsideration of LC 24

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 13, A | | |
| 303 | Chair Kropf | Opens meeting at 8:42 a.m. Introductory remarks. Moment of silence in commemoration of the attack one year ago on New York City. There will be a second meeting of this committee about 11:00 a.m. Purpose of this meeting is to retract introduction of Joint Memorial LC 24 and make it a House Memorial. Opens work session. |
| WORK SESSION - LC 24 | | |
| 345 | Rep. Alan Brown | MOTION: Moves to SUSPEND the rules for the purpose of reconsidering LC 24. |
| 350 | | VOTE: 5-0 |
| | | EXCUSED: 2 - King, Knopp |
| 352 | Chair Kropf | Hearing no objection, declares the motion CARRIED. |
| 354 | Rep. Greg Smith | MOTION: Moves to RECONSIDER the vote by which LC 24 is changed from a Joint Memorial to a House Memorial. |
| 353 | | VOTE: 5-0 |
| | | EXCUSED: 2 - King, Knopp |
| | Chair | Hearing no objection, declares the motion CARRIED. |
| 355 | Rep. Alan Brown | MOTION: Moves to ADOPT LC 24-1 amendments dated 09/10/02. |
| 355 | | VOTE: 5-0 |
| | | EXCUSED: 2 - King, Knopp |
| | Chair | Hearing no objection, declares the motion CARRIED. |
| | | (EXHIBIT A) |
| 358 | Chair Kropf | Adjourns meeting at 8:47 a.m. |

Transcribed by,

Reviewed by,

Nancy Masee
Committee Assistant

Ray Kelly
Committee Administrator

EXHIBITS:

A - LC 24-1 amendments, staff.

HOUSE SPECIAL SESSION COMMITTEE ON ECONOMIC GROWTH AND JOB DEVELOPMENT

September 11, 2002 Hearing Room 357
4:30 pm Tapes 14 - 15

MEMBERS PRESENT: Rep. Jeff Kropf, Chair
Rep. Alan Brown
Rep. Dan Doyle
Rep. Al King
Rep. Jerry Krummel
Rep. Kathy Lowe

MEMBER EXCUSED: Rep. Elaine Hopson

STAFF PRESENT: Ray Kelly, Administrator
Nancy Masee, Administrative Support

MEASURE/ISSUES HEARD: HB 4072-6 Public Hearing and Work Session
HM 5 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 14, A | | |
| 009 | Chair Kropf | Opens meeting at 4:35 p.m. Introduces Rep. Doyle and Rep. Krummel as new committee members replacing Rep. G. Smith and Rep. Knopp. Explains how HM 5 came about. Explains Rep. Butler's LC that is in progress. Explains status of HB 4072. Opens public hearing on HB 4072. |
| PUBLIC HEARING HB 4072 | | |
| 117 | Chair Kropf | Explains Exhibits A and B. |
| 155 | Tamara Brickman | Oregon Employment Department. Explains where the department gets their information. Employers submit figures for unemployment insurance taxes. |
| 161 | Rep. Lowe | Asks what comprises the 38 percent services industry on Exhibit B. |
| 176 | Brickman | Replies as an example, restaurants. Will get the information. |
| 181 | Rep. Krummel | Asks for explanation of chart. |
| 193 | Brickman | Verifies Exhibit B percentages. |
| 209 | Rep. Krummel | Asks if manufacturing includes companies like Intel, Tektronix, and Mentor Graphics. |
| 218 | Brickman | Responds yes. |
| 219 | Chair Kropf | Explains sizes of companies on chart that are more than 50 employees. |
| 240 | Rep. King | Asks if this as of September 2002. |
| 245 | Brickman | Answers that the data is from the first quarter of 2000. Will get most current information. |
| 248 | Rep. King | Discusses seasonal employees. Questions the -6 amendments. |
| 265 | Chair Kropf | Discusses language in bill. Asks Counsel Dexter Johnson for clarification. |

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| 350 | Dexter Johnson | Legislative Counsel (LC). Relates that the term “full time employee” is a defined term in this bill. Describes a business with fluctuating status. In order to be a full time employee one must be there at least 26 weeks. |
| 367 | Rep. King | Discusses high seasonal differences that would drive one out of the program. |
| 384 | Johnson | Explains that high turnover would not mean many full time employees who work 26 weeks. |
| 410 | Rep. King | Discusses high turnover. |
| TAPE 15, A | | |
| 006 | Chair Kropf | Refers to language on line 14 fewer than 50 employees for the calendar year beginning January 1, 2003, means an average of the entire year’s employment at any given day to be below 50 to qualify. |
| 016 | Rep. King | Replies that the bill does not deal with “average.” |
| 022 | Johnson | As soon as an employee works 26 weeks that is one employee. |
| 033 | Rep. Krummel | Asks about “employee turnover.” Discusses full time positions as related to employee turnover. |
| 052 | Johnson | Answers the bill is written in terms of employees, not in terms of positions. |
| 060 | Chair Kropf | Closes public hearing. Opens work session on HM 5. (EXHIBIT D) |
| WORK SESSION HM 5 | | |
| 065 | Rep. Lowe | MOTION: Moves HM 5 be sent to the floor with a BE ADOPTED recommendation. |
| 066 | | VOTE: 6-0 |
| | | EXCUSED: 1 - Rep. Hopson |
| 067 | Chair Kropf | Hearing no objection, declares the motion CARRIED. REP KROPF will lead discussion on the floor. |
| 068 | Chair Kropf | Closes work session. Opens work session on HB 4072. |
| WORK SESSION HB 4072 | | |
| 075 | Rep. Lowe | Comments that it is dangerous to adopt a measure that draws from the General Fund since the fiscal consequences of this bill are not fully known at this time. |
| 134 | Rep. Doyle | Comments there is some risk in taking money out of the General Fund, but there must be action to stimulate job development in Oregon. Supports the idea and the bill as a step forward. |
| 161 | Rep. Krummel | Reiterates this is only for tax year 2003 and qualifiers must be in the first six months. |
| 203 | Chair Kropf | Comments there will be some revenue impact. Says there will be \$1.8 million for this bill. (EXHIBIT C) |
| 205 | Rep. Krummel | Supports the bill and its positive effect on the economy. |
| 210 | Rep. Doyle | MOTION: MOVES TO adopt the -6 amendments to HB 4072. |
| | | VOTE: 5 – 1 |
| | | Ayes: Brown, Doyle, Krummel, Kropf, King |
| | | Nays: Lowe |
| | | Excused: Hopson. |
| 212 | Chair Kropf | MOTION CARRIED. |
| 214 | Rep. Doyle | MOTION: MOVES HB 4072 to the floor with a DO PASS AS AMENDED recommendation. |
| | | VOTE: 4 – 2 |
| | | Ayes: Brown, Doyle, Krummel, Kropf. |

Nays: King, Lowe.

Excused: Hopson.

MOTION CARRIED.

REP. KROPF will lead discussion on the floor.

Adjourns meeting at 5:22 p.m.

216

Chair Kropf

Transcribed by,

Reviewed by,

**Nancy Massee
Committee Assistant**

**Ray Kelly
Committee Administrator**

EXHIBITS:

A – Model of Tax Credit example, LRO staff

B - Chart of Oregon firms, OED staff

C – HB 4072-6, staff

D – HM 5, staff