

HOUSE COMMITTEE ON COMMERCE
SUBCOMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

March 03, 1999 Hearing Room 350

1:00 p.m. Tape 18

MEMBERS PRESENT: Rep. Jerry Krummel, Chair

Rep. Ryan Deckert

Rep. Bob Montgomery

Rep. Diane Rosenbaum

STAFF PRESENT: Jason Cody, Administrator

Annetta Mullins, Administrative Support

MEASURE/ISSUES HEARD:

SB 188 - Public Hearing and Work Session

SB 189 ñ 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 18, A		
004	Chair Krummel	Calls meeting to order at 1:37 p.m. and opens the public hearing on SB 188.
<u>SB 188 ñ PUBLIC HEARING</u>		
008	Jason Cody	Administrator. Explains that SB 188 eliminates the Oregon Investment Council's (OIC) authority to formulate policies for investment funds in the Oregon Growth Account (OGA). Requires the investment officer to separately identify investments held in the Oregon Growth Account when reporting on the Education Endowment Fund. Clarifies the Oregon Growth Account Board's authority to contract for needed investment advice and services. Requires the

		State Treasurer to provide staff for the Oregon Growth Account Board and defines confidential records.
029	Rollie Wisbrock	Chief of Staff, State Treasury. Introduces Cynthia Burns, Department of Justice, and explains Ms. Burns has help draft the bill and has worked with the Oregon Growth Account. Reviews Senate history of SB 188.
041	Wisbrock	Gives history of Oregon Growth Account. In 1995, because the Education Endowment Fund was going to be funded with a stream of lottery dollars, they felt there was an investment opportunity in Oregon small business that the Oregon Investment Council could not take advantage of because of the small size of investments. The Oregon Investment Council does not like to make investments under \$25 million or \$30 million. They felt there were good, smaller investments of \$500,000 and up that could benefit Oregon business and make a lot of money for someone. The Oregon Growth Account was created and placed administratively under the Oregon Investment Council. Before money starting going into the Oregon Growth Account, the Investment Council felt there was a conflict with them managing the Oregon Growth Account. The Oregon Investment Council and the Treasury office agreed and came up with a mechanism for separating the Oregon Growth Account out of the Oregon Investment Council and putting it under the Education Endowment Fund and separating the responsibility of the Oregon Investment Council. HB 2011 (1997) removed the responsibility from the Oregon Investment Council and created a separate board for the Oregon Growth Account and created a structure, but there were things that still needed attention. Those items are being addressed in SB 188 and SB 189.
087	Cynthia Burns	Assistant Attorney General. Reviews SB 188 section-by-section (EXHIBIT A):
129	Chair Krummel	Closes the public hearing and opens the work session on SB 188.
<u>SB 188 n WORK SESSION</u>		
139	Rep. Montgomery	MOTION: Moves SB 188 to the full committee with a DO PASS recommendation.
143		VOTE: 3-0 EXCUSED: 1 - Rep. Deckert
	Chair Krummel	Hearing no objection, declares the motion CARRIED. REP. MONTGOMERY will lead discussion on the floor.

156	Chair Krummel	Closes the work session on SB 188 and opens the public hearing on SB 189.
<u>SB 189 ñ PUBLIC HEARING</u>		
156	Jason Cody	Administrator. Advises members that SB 189 eliminates the requirement that the State Treasurer report to the governor and to the Legislative Assembly on investment of state funds for venture capital purposes and reorders OGA definitions. Reviews history of bill in the Senate.
165	Rollie Wisbrock	Chief of Staff, State Treasury. Explains that SB 189 eliminates duplicative reporting and assures members that reporting will be done.
189	Rep. Montgomery	Asks what the language in line 11, "is", means.
197	Burns	Responds that generally affordable housing is in the concept of multi-family dwellings and there are income requirements for people to live in them. The pricing of the rental unit is compared to fair market value.
204	Wisbrock	Responds the definition is from the Housing Agency.
21	Chair Krummel	Closes the public hearing and opens the work session on SB 189.
<u>SB 189 ñ WORK SESSION</u>		
217	Rep. Rosenbaum	MOTION: Moves SB 189 to the full committee with a DO PASS recommendation.
227		VOTE: 4-0
	Chair Krummel	Hearing no objection, declares the motion CARRIED. REP. DECKERT will lead discussion in full committee.
238	Chair Krummel	Closes the work session on SB 189 and adjourns the meeting at 1:56 p.m.

Submitted By, Reviewed By,

Annetta Mullins, Jason Cody,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ SB 188, explanation of SB 188, Cynthia Burns, 1 p