

SENATE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

June 11, 1999 Hearing Room B

1:00 p.m. Tapes 74 - 75

MEMBERS PRESENT: Sen. John Lim, Chair

Sen. Avel Gordly, Vice-Chair

Sen. Verne Duncan

Sen. Tony Corcoran

Sen. Bill Fisher

MEMBER EXCUSED:

STAFF PRESENT: Carol Rives, Administrator

Gary Roulier, Administrative Support

MEASURE/ISSUES HEARD: HB 2248B 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 74, A		
002	Chair Lim	Opens the meeting at 1:07 p.m. and opens a public hearing on HB 2248B.
<u>HB 2248B PUBLIC HEARING</u>		
012	Carol Rives	Administrator. Explains the provisions of HB 2248B which revises the laws relating to qualified business firms in enterprise zones. Presents (EXHIBIT A) and explains the provisions of the ñB13 amendments. Presents (EXHIBIT B) and explains the provisions of the ñB14 amendments.

036	Rep. Mark Simmons	House District 58. Testifies in support of HB 2248B. Notes that many rural areas have not shared in the economic growth occurring in the Willamette Valley.
073	Rep. Simmons	Outlines proposed changes for tax exemption eligibility within enterprise zones.
099	Sen. Fisher	Asks for Rep. Simmons' opinion on the proposed amendments.
104	Rep. Simmons	Responds that he has not had the opportunity to study the proposed amendments. Adds that some changes were made in the House Revenue Committee and the Oregon Economic Development Department (OEDD) would be a better resource for questions.
124	Sen. Fisher	Asks about the ñB14 amendments which would allow enterprise zone exemptions for medical facilities.
141	Rep. Simmons	Agrees that the ñB14 amendments would be a significant policy change but is not prepared to offer an opinion.
167	Bill Scott	Director, OEDD. Testifies that the original intent of the legislation was to bring the enterprise zone program into agreement with the "New Directions" focus of the OEDD.
197	Scott	Discusses short- and long-term property tax exemptions (page 2 of the exhibit).
240	Scott	Outlines provisions of the proposed bill added through various amendments (page 3 of the exhibit).
293	Scott	Summarizes the ñB13 amendments dealing with the sharing of revenues. Adds that OEDD is neutral on the ñB13 amendments.
349	Scott	Discusses the provisions of the ñB14 amendments and adds that OEDD is neutral on the amendment but generally supports the language.
369	Chair Lim	Asks if the 15-year tax exemption could be extended.
371	Art Fish	OEDD. Responds that the long-term exemption cannot be extended.
390	Sen. Duncan	Expresses concern with the equity of the proposed sharing of revenue.
TAPE 75, A		
002	Fish	Explains that the revenue sharing issues only apply in rural districts and would not affect the metropolitan area.

010	Sen. Corcoran	Comments that further examination will be helpful.
017	Scott	Adds that the extended enterprise zone situation is extremely rare. Notes that this particular income tax relief can only be granted with the Governor's approval.
036	Sen. Gordly	Asks about the amendments proposed by the City of Portland and the Portland Development Commission.
041	Scott	Points out that these amendments are included in the B-Engrossed version of the bill.
060	Bob Cantine	Association of Oregon Counties. Testifies in support of HB 2248B and the ñB13 amendments. Discusses the evolution of the proposals dealing with revenue sharing among local districts.
107	Cantine	Outlines the proposed solution to recover portions of the local revenues lost by enterprise zone exemptions.
139	Ken Armstrong	Oregon Public Ports Association and the Oregon Fire Chiefs Association. Testifies in support of HB 2248B and the ñB14 amendments. Testifies in opposition to the ñB13 amendments and expresses concern with the inequity of the revenue distribution.
181	Hasina Squires	Special Districts Association of Oregon. Testifies in support of HB 2248B and in opposition to the ñB13 amendments. Notes that special districts are not part of the decision-making process in the granting of enterprise zone exemptions.
216	Sen. Corcoran	Reviews witness testimony in support and opposition to HB 2248B and the two amendments.
223	Rives	Asks how the provisions of the bill would apply in the event a facility being granted exemption is located outside the city granting the exemption.

231	Squires	Answers that it would still remain the city's decision to grant the enterprise zone exemption.
243	Armstrong	Reiterates that special districts losing tax revenue should be able to participate in the revenue sharing.
253	Cantine	Agrees that inequities are created when the city authorizes the exemptions and the property is not located within the city.

275	Chair Lim	Asks if any discussions were conducted with the special districts.
282	Cantine	Responds that the ñB13 amendments were drafted by the League of Oregon Cities and adds that he is neutral on the ñB14 amendments.
293	Scott	Comments that OEDD does not feel that the ñB13 amendments would have a major impact.
320	Sen. Corcoran	Asks for OEDD opinion on the bill as drafted and the proposed amendments.
323	Scott	Responds that OEDD strongly supports the B-Engrossed version of HB 2248 and is neutral on the ñB13 and ñB14 amendments.
332	Chair Lim	Closes the public hearing and opens a work session on HB 2248B.

HB 2248B WORK SESSION

342	Sen. Duncan	MOTION: Moves to ADOPT HB 2248B-14 amendments dated 6/11/99 (EXHIBIT B).
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	Chair Lim	Hearing no objection, declares the motion CARRIED.
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351	Sen. Duncan	MOTION: Moves HB 2248B to the floor with a DO PASS AS AMENDED recommendation.
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VOTE: 5-0

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

	Chair Lim	The motion CARRIES.
		SEN. CORCORAN will lead discussion on the floor.

388	Chair Lim	Closes the work session on HB 2248B.
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402	Sen. Gordly	Thanks OEDD for their work during session.
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421	Chair Lim	Thanks the members of the committee for their work during session and adjourns the meeting at 2:03 p.m.
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Gary Roulier, Carol Rives,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ HB 2248B, -B13 amendments, staff, 1 p

B ñ HB 2248B, -B14 amendments, staff, 2 pp

C ñ HB 2248B, written testimony, Bill Scott, 19 pp