

HOUSE COMMITTEE ON COMMERCE

SUBCOMMITTEE ON TELECOMMUNICATIONS AND TRADE

January 28, 1997 Hearing Room H-170

8:45 A.M. Tapes 1 - 2

MEMBERS PRESENT:

Rep. Jim Hill, Chair

Rep. Rep. Ron Adams

Rep. Rep. Tom Whelan

Rep. Rep. Cynthia Wooten

STAFF PRESENT:

Julie Neburka, Administrator

Coben Tistadt, Administrative Support

MEASURE/ISSUES HEARD:

House Measure 2124

House Measure 2142

House Measure 2143

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 1, A		
001	Chair Hill	Calls meeting to order at 8:45 A.M, opens public hearing on HB 2124.
<u>HB 2124- Public Hearing</u>		
010	Julie Neburka	Gives overview of House Bill 2124.
022	Tom Brumm	Program Manager of the Economic Development Department and former Director of Jobs Training Program, states that legislation in

		HB 2124 is nothing new, that the proposed transfer has been in the works for years. Explains that HB 2124 aims to consolidate Oregon's job training programs, all of which serve the same customer base.
050	Bret West	Interim Administer for Office of Community College Services, (EXHIBIT A), discusses proposed merger of OCCS and Jobs Training Partnership Act services, cites similar customer base and funding advantages.
067	Roger Bassett	Education and Work Force Policy Advisor for Office of the Governor, states that the merger involves hard work. Talks of on-going work with various offices and of improved coordination.
094	Rep. Adams	Inquires as to the role of the JTPA.
99	Brumm	States that there are six programs in the state. Notes that the program trains disadvantaged individuals, the elderly population, and the young. Discusses federal funding, including: <ul style="list-style-type: none"> * recent attempts in the U.S. congress to cut funds * congressional interest in block grants * current stability of programs' federal funds
127		Issues discussed: <ul style="list-style-type: none"> * Workforce Quality Council's relationship to the JTPA * flow of federal funds * how various services fit together
183		<ul style="list-style-type: none"> * structural cutbacks to AFS * desire to assist communities
209		* number of positions being transferred to OCCS
230		<ul style="list-style-type: none"> * local integration * consolidation of work force services * program consolidations and state cooperation with the private sector
294		* repeal of requirement for expenditure reports by private industry councils (Section 21 of HB 2124).
328	Janet Hooper	Staff for JTPA Administration, comments that the JTPA is no longer able to expend funds on economic development not directly allocated to participants' services, and so the ORS requiring expenditure reports is no longer applicable.

340		Discussion continues on: * state funds to match federal funds
372		* structure of JTPA and its cooperation with different entities
390		* local structure of JTPA and reporting requirements
429		* history of JTPA
TAPE 2, A		
035		* federal funds and accessibility for services
054	Bassett	* administrative costs necessitated by federal regulations
087	Chair Hill	Closes public hearing of HB 2124, opens public hearing on HB 2142
<u>HB 2142-</u> <u>Public</u> <u>Hearing</u>		
098	Yvonne Addington	<p>Manager of Regional Development Division in Oregon Economic Development Department, supporting HB 2142. Cites her past experience. Gives Community Development Block Grant Program's history, purpose, and accomplishments. Cites the expensive infrastructure needs of local governments. Discusses financing through:</p> <ul style="list-style-type: none"> * the Oregon Bond Bank, * the use of state lottery funds * the pooling of communities' bond loans to facilitate payments * the Oregon Bond Bank's good reputation with buyers * the Oregon Bond Bank's guarantees against default * the need to erase divisions in the bond funds
188	Chair Hill	Asks for staff overview.
191	Neburka	Gives overview of HB 2142.
208	Addington	Continues description of the Oregon Bond Bank. Cites regulation regarding the sale of bonds. Mentions that pooling the bond markets enables smaller cities to participate. Explains request to increase population cap for receiving grants for preliminary engineering.
237	Chair Hill	Asks what percentage of total costs the proposed grant would cover for preliminary planning. Mentions the effects of Ballot Measure 47.
245	Addington	Mentions that every project is running at least a million dollars, mentions limit for selling bonds is ten million. States that the proposed grant is a match for local funds, and that the amount of the

		grant is negligible. States that programs are based on a municipality's ability to repay. Mentions that terms for repayment are liberal.
282	Rep. Adams	Asks if the grant is a planning grant.
291	Addington	Answers that it is for preliminary engineering, in order to understand the costs of a project.
296	Rep. Adams	Asks if loans are repaid by user fees or through local taxes.
308	Addington	Explains that local taxes might not be needed. Mentions liberal terms for repayment.
329	Rep. Wooten	Expresses approval of bill, encourages rapid passing of the bill.
340	Ken Armstrong	Executive Director of the Oregon Public Ports Association, supporting HB 2142. Cites example of St. Helens attempting to attract a five million dollar plant and the competition from the state of Washington. Mentions that the leveraging of proposed grants would be disproportionately greater than their percentage of total costs . Explains the OPPA's jurisdiction and purpose..
414	Joanie Loan	League of Oregon Cities, supporting HB 2142. Briefly mentions impact of legislation and reasons for support.
441	Rep. Adams	Asks about page 2, line 26 of the bill adding "resolution or ordinance."
445	Addington	Explains that cities prefer resolutions over ordinances and the reasons why.
TAPE 1, B		
030	Rep. Adams	Wonders about public perception of this issue and asks what the problems are with requiring an ordinance.
046	Loan	States that procedure to pass resolutions is relatively clean yet still requires notice, a meeting, and approval by city council.
053	Rep. Wooten	Describes resolution process on municipal level.
067	Armstrong	Offers that ports pass resolutions and have no ability to pass ordinances.
075	Chair Hill	Asks if voters can do a referendum for a resolution, and if the public is thereby being excluded from process.
082	Addington	Notes that a special public works program required an ordinance, while a water waste line program did not.
089	Chair Hill	Closes hearing on HB 2142, opens hearing HB 2143
<u>HB 2143- Public Hearing</u>		
100	Neburka	Gives an overview of HB 2143.

117	Addington	Manager of Regional Development Division in Economic Development Department. Explains that enterprise zones aspire to assist economically lagging communities. Introduces Art Fish.
135	Art Fish	Enterprise Zone Coordinator for the Economic Development Dept., supporting HB 2143. Gives history and accomplishments of the program, explains purpose of zoning. Refers to handout showing current zoning (EXHIBIT B).
165	Fish	Describes tax exemptions resulting from zoning, explains requirement for tax exemptions.
184	Fish	Continues description of accomplishments of zoning program. Refers to the proposals of HB 2143. Cites that there is no opposition to the bill.
230	Rep. Wooten	States that she is familiar with foreign free-trade zones. Asks for clarification of a state free-trade zone.
248	Fish	States that free-trade classification does not duplicate a foreign free trade zone. States that classification might help marketing.
262	Chair Hill	Inquires as to implications of changing an enterprise zone to a free-trade zone.
270	Fish	Reiterates that as a moniker it could help attract outside interest.
285	Rep. Wooten	Asks further questions regarding effectiveness of designation as free-trade zone.
301	Fish	Affirms that it serves merely as a label.
324	Rep. Wooten	Expresses concern that the designation might negatively effect foreign free-trade zones which have a real impact. Asks about distance expansions included in bill.
350	Fish	Discusses application of distance changes.
TAPE 2, B		
009	Chair Hill	States that there might be problems with the free-trade zone proposals.
012	Rep. Whelan	Asks about proposed tax abatements.
015	Fish	Responds that tax abatements are of minimal impact and affect local taxes.
029	Rep. Adams	States need to consider intricacies of bill.
055	Chair Hill	Cites various unclear portions of the bill, states that the committee will spend considerable time on the bill, mentions potential substantive changes to the bill.
70	Addington	Explains willingness to explain intricacies of bill.
72	Chair Hill	States that committee will first discuss policy issues and then implementation of policy issues pertaining to the bill.
79	Armstrong	

		Executive Director of the Oregon Public Ports Association. Addresses enterprise zoning implications for ports. Mentions impact of distance changes. Refers to St. Helens attempts to attract business. States that state-free trade zoning would help marketing although it might or might not bring substantive changes.
122	Rep. Wooten	Lists areas of concern such as substantive implications of the state free-trade zone designation, false advertising issues regarding the designation, and distance issues related to zoning.
146	Rep. Adams	Asks if specific areas need this legislation.
153	Fish	Explains that the proposed distances for combined zoning takes into consideration present situation of smaller communities.
170	Rep. Adams	Cites that "marketing magic" of zoning designation is legitimate.
184	Rep. Wooten	Cites disadvantages of enterprise zones: inappropriate tax breaks and lack of accountability. Mentions that public calls to do away with free enterprise zones come from urban areas.
204	Chair Hill	States that there will be further discussion of bill. Asks for a representative from the counties for future meetings, and for examples of success and failure.
216	Armstrong	Wonders if committee would be interested in testimony from various ports.
220	Chair Hill	Responds affirmatively.
224	Rep. Wooten	Expresses desire to expand debate to include larger issues relating to enterprise zones.
230	Chair Hill	Adjourns meeting.

Submitted By, Reviewed By,

Coben Tistadt, Julie Neburka,

Administrative Support Administrator

EXHIBIT SUMMARY

A - HB 2124, Bret West, 6 pp.

B - HB 2143, Arthur Fish, 2 pp.