

SENATE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

May 8, 1997 Hearing Room 343

1:00PM Tapes 63 - 64

MEMBERS PRESENT:

Sen. Joan Dukes, Vice-Chair

Sen. Bill Fisher

Sen. Gary George

Sen. Veral Tarno

MEMBER EXCUSED:

Sen. John Lim, Chair

Sen. Avel Gordly

STAFF PRESENT:

Jim Stembridge, Administrator

Julie Havel, Administrative Support

MEASURE/ISSUES HEARD:

SB 932 Work Session

SB 980 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 63, A		
004	Vice-Chair Dukes	Calls meeting to order at 1:12 pm.
005	Jim Stembridge	Committee Administrator, explains agenda items, and notes arrival of Sen. Ted Ferrioli to testify on SB 932.
008	Vice-Chair Dukes	Opens work session on SB 932.

SB 932 -
WORK
SESSION

009	Sen. Ted Ferrioli	District 28, SB 932 sponsor, reviews intent of SB 932, and states this is an attempt to focus economic development dollars on the places where the need is greatest. States his district has serious economic dislocations throughout eastern and rural Oregon, and Employment Department statistics show that 29 Oregon counties now have an unemployment rate above both the national average and the average for the state of Oregon. Addresses Sen. Gordly's earlier concerns about metro area counties with neighborhoods that are also economically distressed. Explains there are amendments forthcoming from the League of Oregon Cities and some amendments he has requested himself. States their concept that "designated distressed areas," prioritized by economic indicators, might be the best approach. States he would like to hear from the Oregon Economic Development Department (OEDD) people to hear their definition of "economically distressed."
060	Art Ayre	<p>Economist, OEDD, gives overview of definition of "economically distressed area." Explains it includes all counties that have an unemployment rate greater than or equal to nine percent, and other areas as designated by the department, and the department has designated other areas as follows:</p> <ul style="list-style-type: none">* the North/Northeast Portland Enterprise Zone area* all other counties or communities that have lost forest products jobs that equal at least four percent of the 1989 total employment in that area, and have not added back at least two jobs for each forest products job that has been lost since 1989
074	Joni Low	League of Oregon Cities, states Sen. Ferrioli's and Sen. Gordly's amendments have addressed their concerns by prioritizing and adding cities or other geographic areas that are designated as distressed areas., so they are no longer opposed.
083	Yvonne Addington	Manager, Regional & Community Development, OEDD, states they too, had previous opposition to the bill. States since 1983, when they were under the direction of Rep. Montgomery, they have tailored their programs to "get the money over the mountains." States she wants to clear the record that money has not been going to urban, because 100 percent of their community development block grants are going to rural communities. Explains in the past year, of the \$78.5 million they have spent so far, 213 projects have been funded in the rural areas, and two in the urban areas, and \$55.4 million in bond and loan money has been spent in the rural areas and \$9.6 million has been spent in urban areas. States they like the word priority, but they do not like the word "exclusive," so if they could amend the bill to prioritize instead of restrict funds, they would be in support.
114	Sen. Tarno	Asks if the definition of distressed is statutory or by rule.
116	Ayre	States it is both statutory and by rule, and explains.
120	Sen. Tarno	Asks if he knows the statute numbers.

121	Ayre	States he does not know them off-hand, but he could get them.
122	Sen. Tarno	States he can find them himself.
123	Ayre	Highlights features of the Rural Investment Initiative for the committee, and explains it's purpose is to expand their awareness of what the level of distress actually is in economically distressed areas.
136	Vice-Chair Dukes	Asks what money they are talking about here, and if it is Addington's understanding that all lottery money that is given to her agency needs to be spent under this criteria.
143	Addington	States yes, that is her understanding.
145	Vice-Chair Dukes	Asks Sen. Ferrioli if that is what he intended to do.
142	Sen. Ferrioli	Explains he wants to send a clear message that these dollars are going to the areas where they are most needed. States defining a distressed area as one with a 9% unemployment rate or higher, will only include 13 counties, and there are many that hover around 8.5 %--so he wants an expansion of the definition of distressed area.
168	Vice-Chair Dukes	Asks if it is his intention to get at the revolving port funds.
173	Sen. Ferrioli	Explains it is new money--not existing money, so the ports would not be affected.
180	Vice-Chair Dukes	States it is her understanding that Chair Lim wants to move such a bill, but she wants all sides to agree on specific language and bring it back next week.
194	Vice-Chair Dukes	Closes work session on SB 932 and opens work session on SB 980.
<u>SB 980 - WORK SESSION</u>		
200	Vice-Chair Dukes	Reviews provisions of SB 980, and explains it was a broad bill that creates an Oregon State World Trade Commission, but they discussed in a previous meeting the possibility of narrowing the bill to take the existing International Trade Advisory Committee and give it separate standing as an International Trade Commission (SEE MINUTES FROM APRIL 22, 1997). Asks Warren Banks to come forward to give an update.
220	Warren Banks	Manager, International Division, OEDD, states they tried to create an amendment to this bill which accomplish this intent, and states he also met with Sen. Lim and Sen. Dukes. Gives brief history of the "old" International Trade Advisory Committee, and explains the intent of new proposed amendments.
274	Vice-Chair Dukes	Asks Banks to walk them through the proposed -2 amendments, which would become the bill if they pass it (EXHIBIT A).
276	Banks	Explains effects of -2 amendments, and states this is the first time he has seen them, and it appears that there is a discrepancy, because he thought it should say an "Executive Director of the International Division of OEDD."

328	Vice-Chair Dukes	States this is different from what she thought Sen. Lim wanted as well, and explains.
335		Discussion held on issue of what the exact language should say in section seven, and who reports to whom.
368	Banks	States maybe it would be easier to skip on to the next part, where it defines what the duties are in section five, line 25, and explains.
416	Vice-Chair Dukes	Asks how they should change the language to make it reflect their intent.
438	Banks	States they could say the "manager or director, or whatever they wanted to call it," of the "International Division of the Economic Development Department."
448		Discussion held on what the exact title should be.
445	Jim Stembridge	Committee Administrator, asks for and receives clarification that on Line 20, they are deleting the words "Trade Commission," and inserting "Division of the Economic Development Department."
TAPE 64, A		
020	Sen. Tarno	Asks if this bill really has a fiscal impact.
029	Stembridge	States it does currently have a subsequent referral to the Ways and Means Committee, so if they do pass this out, they will have to request it be rescinded.
032	Vice-Chair Dukes	States she can understand why the original bill had a subsequent referral, and asks what Banks thinks is likely to change as a result of this bill.
035	Banks	States he believes they have taken them on themselves to make these changes anyway, and refers to the last page of their report where they listed four areas of what they plan to do this coming biennium, so they've already taken some initiative in this area.
047	Banks	Asks if they need something that says the "current membership" of the committee will continue.
050	Stembridge	Clarifies that is addressed on page two, section four, lines 22-24.
055	Vice-Chair Dukes	Declares meeting in recess until there is a quorum.
056	Vice-Chair Dukes	Notes there is a quorum now present, and reconvenes meeting at 1:55 pm.
060	Sen. Tarno	Clarifies conceptual amendments to the proposed -2 amendments on page two, line 20.
064	Sen. Tarno	MOTION: Moves to ADOPT SB 980-2 amendments dated 5/8/97 and that the measure be FURTHER AMENDED on page 2, line 20, by deleting "Trade Commission" after "International " and on page 2, line 20, by inserting "Division of the Economic Development Department" after "International".
		EXCUSED: 2 - Gordly, Lim

	Vice-Chair Dukes	Hearing no objection, declares the motion CARRIED .
066	Sen. Tarno	MOTION: Moves SB 980 to the floor with a DO PASS AS AMENDED recommendation and the SUBSEQUENT REFERRAL to the committee on Ways and Means BE RESCINDED.
		VOTE: 4-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 2 - Gordly, Lim
	Vice-Chair Dukes	The motion CARRIES .
		SEN. LIM will lead discussion on the floor.
079	Vice-Chair Dukes	Closes work session on SB 980 and adjourns meeting at 2:00pm.

Submitted By, Reviewed By,

Julie Havel, Jim Stembridge,

Administrative Support Administrator

EXHIBIT SUMMARY

A - SB 980, proposed -2 amendments, staff, 4pp.
