

HOUSE COMMITTEE ON
COMMERCE
SUBCOMMITTEE ON
TRADE AND ECONOMIC DEVELOPMENT

February 9, 1995 Hearing Room H170
2:00 p.m. Tape 6-7

MEMBERS PRESENT: Rep. Chuck Carpenter, Chair
Rep. Gail Shibley, Vice-Chair
Rep. Michael Fahey
Rep. Cynthia Wooten

MEMBERS EXCUSED:

STAFF PRESENT: Joseph Cortright, Executive Officer
Jeri Chase, Office Manager
Bobby Sullinger, Committee Assistant

WITNESSES: Jon Jaqua, Deputy Director, Oregon Economic Development
Department

Carma Glmore, Department of Revenue

MEASURES HEARD: HB 2260 - Eliminates specific termination dates for existing
Enterprise Zones - PH
HB 2140 - Imposes resident hiring requirement for three-year period
abatement for qualified business firms in urban Enterprise Zones with fewer
than 400,000 residents - PH

These minutes contain materials which paraphrase and/or summarize
statements made during this session. Only text enclosed in quotation marks
report a speaker's exact words. For complete contents of the proceedings,
please refer to the tapes.

TAPE 6, SIDE A

001 CHAIR CARPENTER: Brings the committee to order at 2:20 p.m.
004 Committee discussion regarding future meeting sites.
HB 2260 - Eliminates specific termination dates for existing Enterprise
Zones - Public Hearing
020 CHAIR CARPENTER: Opens PUBLIC HEARING on HB 2260.
023 CORTRIGHT: Overview Staff Measure Summary of HB 2260 [EXHIBIT A].
081 REP. SHIBLEY: Is there any data in terms of property tax lost and income
tax gained since a particular Enterprise Zone has been classified?
089 CORTRIGHT: Overviews 1994 Enterprise Zone Tax Exemption Data [EXHIBIT B].
118 Committee discussion regarding measuring successes and failures in
Enterprise Zones.
153 JON JAQUA: Presents comment testimony on HB 2260.
203 JAQUA: Continues testimony regarding current and proposed legislation
regarding Enterprise Zones.
231 CHAIR CARPENTER: Can you go into more detail as to what criteria are used
to setup an Enterprise Zone.
241 JAQUA: Responds to committee discussion.
283 JAQUA: Continues response to committee discussion.
319 Committee discussion regarding where Enterprise Zone are being set-up.
326 JAQUA: Responds to committee discussion.
335 CHAIR CARPENTER: Is there a limit to the size of a business that can
locate in an Enterprise Zone?
336 JAQUA: Responds to committee discussion.
365 REP. SHIBLEY: What agency produced [EXHIBIT B]?
368 JAQUA: Responds to committee discussion.
371 REP. SHIBLEY: Is 1992 the earliest year for data on Enterprise Zones?
377 CARMA GLMORE: Overviews [EXHIBIT B] and Oregon Enterprise Zone
Information [EXHIBIT C].
391 Committee discussion regarding [EXHIBIT B] and what the data in the
report represents.
406 GLMORE: Responds to committee discussion regarding [EXHIBIT B].

412 REP. SHIBLEY: Does [EXHIBIT B] list capital expenditures?

414 GLMORE: Responds to committee discussion regarding [EXHIBIT B].

430 REP. SHIBLEY: Questions data in [EXHIBIT B] as it relates to counties.

434 GLMORE: Responds to committee discussion.

440 REP. SHIBLEY: Why would a company go through the application process for exemption in an Enterprise Zone and not actually expand in one after it had been approved?

434 JAQUA: Responds to committee discussion.

444 Committee discussion regarding Enterprise Zone designations and application process.

455 JAQUA: Responds to committee discussion.

TAPE 7, SIDE A

030 JAQUA: Continues response to committee discussion.

042 REP. SHIBLEY: [EXHIBIT B] indicates that in Lane County Coburg Enterprise Zone no business firms are receiving an Enterprise Zone Exemption. Is that correct?.

044 JAQUA: Responds to committee discussion.

054 REP. SHIBLEY: The Sony Corporation is not listed in the Lane County Eugene-Springfield Enterprise Zones. Is that also because of the reporting time factors?

056 JAQUA: Responds to committee discussion.

064 Committee discussion regarding scope of information provided in the 1994 Enterprise Zone Tax Exemption Data report.

067 GLMORE: Responds to committee discussion.

069 JAQUA: Responds to committee discussion.

093 Committee discussion regarding totals for all counties on the last page of [EXHIBIT B].

099 GLMORE: Responds to committee discussion.

120 Committee discussion regarding the total number of jobs created in Enterprise Zones for the period between 1992-1994.

125 JAQUA: Responds to committee discussion.

162 REP. FAHEY: Questions the cost effectiveness of Enterprise Zones.

170 JAQUA: Responds to committee discussion.

183 Committee discussion regarding cost associated with creating a job in an Enterprise Zones.

194 JAQUA: Responds to committee discussion.

225 Committee discussion regarding property tax forgone vs. actual dollar cost in an Enterprise Zones.

239 JAQUA: Responds to committee discussion.

245 CHAIR CARPENTER: Are you factoring in the spin-off businesses that a Enterprise Zone creates in [EXHIBIT B]?

271 JAQUA: Responds to committee discussion.

284 CHAIR CARPENTER: Do businesses have to be from out of state to locate in a Enterprise Zone?

290 JAQUA: Responds to committee discussion.

304 REP. FAHEY: How do we track first source hiring?

306 JAQUA: Responds to committee discussion.

329 Committee discussion regarding maintaining first source hiring levels.

344 JAQUA: Responds to committee discussion.

377 Committee discussion regarding hiring requirements and possible amendments.

378 JAQUA: Responds to committee discussion.

384 Committee discussion regarding Washington hiring quotas as it relates to the ship building industry.

395 JAQUA: Responds to committee discussion regarding the Build Them in

Washington Bill.

397 CHAIR CARPENTER: Closed PUBLIC HEARING on HB 2260.

HB 2140 - Imposes resident hiring requirement for three-year period of tax abatement for qualified business firms in urban Enterprise Zones with fewer than 400,000 residents - Public Hearing

401 CHAIR CARPENTER: Opens PUBLIC HEARING on HB 2140.

406 CORTRIGHT: Overviews Staff Measure Summary of HB 2140 [EXHIBIT D].

456 JAQUA: Presents comment testimony regarding HB 2140.

TAPE 6, SIDE B

045 JAQUA: Continues testimony.

080 CHAIR CARPENTER: Could you summarize your comments?

081 JAQUA: Responds to committee discussion.

126 REP. FAHEY: Would a company qualify for tax abatement if it spent \$200,000 and wanted to hire 30 people?

132 JAQUA: Responds to committee discussion.

140 REP. FAHEY: If a company wants to expand and hire 50 people and it already has 200 people working what part of the evaluation of the plant is exempt.

145 JAQUA: Responds to committee discussion.

149 REP. SHIBLEY: If a company has to invest in hazardous waste clean-up due to a Federal regulation can it apply for and would it qualify for tax abatement?

163 JAQUA: Responds to committee discussion.

183 Committee discussion.

185 CHAIR CARPENTER: Closed PUBLIC HEARING on HB 2140.

186 CHAIR CARPENTER: Adjourns committee meeting at 3:30 p.m.

Submitted by

Bobby Sullinger
EXHIBIT LOG

EXHIBIT A - Staff Measure Summary of HB 2260, Presented by Joseph Cortright,
1 page.

EXHIBIT B - 1994 Enterprise Zone Tax Exemption Data, Presented by Joseph
Cortright, 24 pages.

EXHIBIT C - Oregon Enterprise Zone Information, Presented by Carma Glmore,
70 pages.

EXHIBIT D - Staff Measure Summary of HB 2140, Presented by Joseph Cortright,
1 page.