

HOUSE COMMITTEE ON
COMMERCE
SUBCOMMITTEE ON
TRADE AND ECONOMIC DEVELOPMENT

March 7, 1995 Hearing Room H170
1:30 p.m. Tape 23-24

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
Mark Huston, Manager, Business Finance for the Oregon
Department.
Julie Curtis, Oregon Economic Development Department

MEASURES HEARD: SB 166 A - Allows Economic Development Department to
continue, until June 30, 1997, to provide two-for-one match of loss
account fees for loans in distressed areas of the state that are enrolled
in capital access program - PH & PWS
HB 2139 - Deletes requirement that Tourism Council and Tourism
assist communities and local agencies in attracting conventions or in
publicizing certain local events - PH & PWS

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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 23, SIDE A

001 CHAIR CARPENTER: Brings the committee to order at 1:45 p.m.

SB 166 A - Allows Economic Development Department to continue, until June
30, 1997, to provide two-for-one match of loss reserve account fees for
loans in distressed areas of the state that are enrolled in capital access
program - Public Hearing

002 CHAIR CARPENTER: Opens PUBLIC HEARING on SB 166-A.

002 CORTRIGHT: Overviews Staff Measure Summary for SB 166-A [EXHIBIT A].

033 REP. SHIBLEY: Could you define distressed area?

038 CORTRIGHT: The Oregon Economic Development Department has the authority
to specify what areas are deemed distressed.

043 JON JAQUA: Presents testimony in favor of SB 166-A.

052 MARK HUSTON: Presents written testimony in favor of SB 166-A [EXHIBIT B],
Oregon Capital Access Program [EXHIBIT C], and a letter from Mark Huston
and William Scott [EXHIBIT D].

104 JAQUA: Overviews the history of the Timber Response Plan of 1991 and
related programs associated with distressed communities.

133 HUSTON: Continues to overview [EXHIBIT D] (Losses in distressed areas).

160 HUSTON: Continues to overview [EXHIBIT D] (Capital Access Loans by
Industry 12/31/94).

163 JAQUA: Overviews history of business finance as it relates to OEDD.

186 REP. SHIBLEY: Why does OEDD work with banks? Why not other types of
institutions?

188 HUSTON: Responds to committee discussion relating to statutes and
definitions given for financial institutions.

203 REP. SHIBLEY: Are the loss rates with banks comparable with the loss
rates from the savings & loans banks a few years ago?

206 HUSTON: Responds to committee discussion relating to loss rates.

224 CORTRIGHT: Overviews definition of Capital Access Program and banking
institutions which are eligible to participate in the program.

234 REP. SHIBLEY: It looks like 75% of the counties in Oregon are distressed.

What effect has this had on unemployment rates in rural Oregon over the
last three years?

252 HUSTON: Responds to committee discussion relating to distressed areas of Oregon.

271 REP. WOOTEN: What counties are considered distressed?

273 HUSTON: Responds to committee discussion relating to counties currently considered distressed.

281 REP. WOOTEN: Can you identify how many distressed communities are at the 9% unemployment rate?

293 JAQUA: Responds to committee discussion relating to the initial targets of the program.

308 REP. WOOTEN: Can you give me an example of what a 150% would mean in relation to the ratio of participation at the banks in this program?

318 HUSTON: Responds to committee discussion relating to bank participation in the program.

335 REP. WOOTEN: Is there any individual standard against which the businesses in distressed areas have to measure? They may not need the assistance just because of their geographic location.

345 HUSTON: Responds to committee discussion relating to qualifications to participate in the capital access program.

354 CORTRIGHT: Overviews fees associated with obtaining a capital access loan.

363 HUSTON: Responds to committee discussion relating to loan fees.

367 REP. WOOTEN: Comments the program is important and useful to Oregon.

380 Committee discussion relating to the possible fiscal impact of the bill.

385 REP. FAHEY: What was the largest loan amount and what business obtained the loan?

388 HUSTON: Responds to committee discussion relating to size of loans.

393 JAQUA: Comments on the need for flexibility as it relating to the OEDD budget and the capital access program.

412 CHAIR CARPENTER: Closed PUBLIC HEARING on SB 166 A.

413 CHAIR CARPENTER: Opens WORK SESSION on SB 166-A.

415 MOTION: REP. SHIBLEY: Moves SB 166-A to the Full Commerce Committee with a DO PASS recommendation.

422 VOTE: In a roll call vote, all members vote AYE. All members are present.

432 REP. WOOTEN will lead discussion on the Floor.

436 CHAIR CARPENTER: Closed WORK SESSION on SB 166-A.

HB 2139 - Deletes requirement that TourismCouncil and TourismProgram assist communities and local agencies in attracting conventions or in publicizing certain local events - Public Hearing

441 CHAIR CARPENTER: Opens PUBLIC HEARING on HB 2139.

442 CORTRIGHT: Overviews Staff Measure Summary for HB 2139 [EXHIBIT E].

TAPE 24, SIDE A

018 JAQUA: Presents testimony in favor of HB 2139.

028 JULIE CURTIS: Presents testimony in favor of HB 2139 and overviews role of the TourismCouncil.

058 CURTIS: Overviews Tourism Oregon - 1993 -1995 Oregon TourismDivision Marketing Plan [EXHIBIT F].

120 CURTIS: Continues to present testimony in favor of HB 2139.

139 REP. SHIBLEY: What thought has the Oregon TourismCouncil given to potential echo-tourism and archeological surveys.

152 CURTIS: Responds to committee discussion relating to the potential for growth in specialized attractions that may be development.

171 RES. SHIBLEY: I would like the Oregon TourismCouncil to expand its efforts in promoting tourism on a national basis.

180 JAQUA: Responds to committee discussion relating to the direction of OEDD in promoting cultural activities in the state, and overviews the TICO bill.

209 REP. FAHEY: Does this bill have a detrimental effect on an organization?

216 CURTIS: Responds to committee discussion relating to the rationale for HB 2139 and convention recruitment efforts in the state.

244 REP. WOOTEN: How much money will OEDD save if HB 2139 is implemented?

255 JAQUA: Responds to committee discussion.

268 REP. SHIBLEY: Comments on the need to change the statutes as they relate to the promotion of tourism in Oregon.

286 REP. FAHEY: Does the Oregon Tourism Council and Tourism Program have the printing for the promotional brochures done in state?

287 CURTIS: Yes.

288 REP. FAHEY: How many full time employees does the agency have?

289 CURTIS: We have nine full time employees.

290 REP. FAHEY: Do you derive any revenue from promoting tourism?

292 CURTIS: Responds to committee discussion relating to revenues.

309 REP. FAHEY: Do you coordinate with the Bureau of Oregon Parks relating to scheduled events and advertising efforts.

320 CURTIS: Overviews relations between the Bureau of Oregon Parks and the Tourism Council.

339 REP. FAHEY: I would encourage your agency to disseminate the printing jobs around the state.

351 REP. SHIBLEY: Do you still use the correctional facilities and inmates in those facilities for bulk mailings?

357 CURTIS: Responds to committee discussion relating to the competitive bid process for advertising brochures and bulk mailings.

385 REP. SHIBLEY: Did Oregon Women's Correctional Center bid substantially higher than the one million dollars you have budgeted for advertising?

386 CURTIS: Responds to committee discussion relating to contract negotiations for printing and bulk mailings.

419 REP. FAHEY: Comments on working conditions at the state correctional institutions.

TAPE 23, SIDE B

007 REP. SHIBLEY: I would like to see language added to the bill relating to your agency providing technical assistance as requested by local agencies. Could you respond to this concern?

012 JAQUA: We will draft the language.

032 REP. FAHEY: How do small businesses get on a bidding list for printed materials?

033 CURTIS: Responds to committee discussion relating to bidding process.

039 CHAIR CARPENTER: Closed PUBLIC HEARING on HB 2139.

064 CHAIR CARPENTER: Adjourns committee meeting at 2:49 p.m.

Submitted by

Bobby Sullinger
EXHIBIT LOG

EXHIBIT A - Staff Measure Summary for SB 166-A, Presented by Joseph Cortright, 1 page.

EXHIBIT B - Written testimony in favor of SB 166-A, Presented by Mark Huston, 2 pages.

EXHIBIT C - Oregon Capital Access Program, Presented by, Mark Huston, 8 pages.

EXHIBIT D - A letter from Mark Huston and William Scott, Mark Huston, 3 pages.

EXHIBIT E - Staff Measure Summary for HB 2139, Presented by Joseph Cortright, 1 page.

EXHIBIT F - Tourism in Oregon - 1993 -1995 Oregon Tourism Division Marketing Plan, Presented by Julie Curtis, 16 pages.