

HOUSE COMMITTEE ON
COMMERCE
SUBCOMMITTEE ON
TRADE AND ECONOMIC DEVELOPMENT

March 30, 1995 Hearing Room H170
1:30 p.m. Tape 37-38

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

WITNESSES: Jon Jaqua, Deputy Director, Economic Development Department
Art Fish, Enterprise Zone Coordinator, Economic Development
Department
Joan Stevens-Schwenger, Public Information Manager, Bureau of
Labor and Industries
Bernd Schulz, Superintendent of Regional Government, Hanover,
Germany

MEASURES HEARD: HB 3080 -- Allows lottery financed economic development
programs
to assist retail businesses and food service facilities -- PH
HB 2260 -- Eliminates specific termination dates for existing
enterprise zones -- PH & WKS
HB 2779 -- Allows city or county that is enterprise zone sponsor to
impose additional conditions on business firm seeking
precertification and eligibility for property tax exemption --

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 37, SIDE A

001 CHAIR CARPENTER: Convenes subcommittee at 1:32 p.m.

HB 3080 -- Allows lottery financed economic development programs to assist
retail businesses and
food service facilities -- Public Hearing

001 CHAIR CARPENTER: Opens PUBLIC HEARING on HB 3080.

007 JOSEPH CORTRIGHT: Describes Proposed -1 Amendments to HB 3080 [EXHIBIT
A] which replace the text of the original measure with language that allows
for the Economic Development Commission to appoint the EDD Director, rather
than the Governor.

018 REP. WOOTEN: Who initiated these amendments?

021 CHAIR CARPENTER: They were initiated by me.

023 JON JAQUA: EDD and the Governor are opposed to this bill.

030 JAQUA: Describes background on gubernatorial vs. Commission appointment
authority and discussions on that same issue during hearings on
reorganization of EDD that were held during the 1993 session.

035 REP. WOOTEN: What were debated issues last session regarding this
issue?

037 JAQUA: They mainly related to who was in actual control of the agency.

EDD is one of the agencies that is under the direct control of the
Governor, and the Governor did not want that status changed.

063 REP. WOOTEN: Is there a precedent among other state agencies for this
type of arrangement? What is the intent of the amendment?

073 CHAIR CARPENTER: The intent is to de-politicize the appointment of the
EDD Director. I was specifically requested to draft this amendment by the
Chair and another member of the Economic Development Commission.

100 CORTRIGHT: Describes history of the Economic Development Commission,
particularly regarding appointing authority issues and Commission
organization.

123 REP. FAHEY: Discusses issues raised by portion of the bill relating to
food service.

134 CHAIR CARPENTER: All provisions relating to that issue have been

deleted from the bill.

140 CHAIR CARPENTER: Closes PUBLIC HEARING on HB 3080.

HB 2260 -- Eliminates specific termination dates for existing enterprise zones -- Public Hearing and Work Session

145 CHAIR CARPENTER: Opens PUBLIC HEARING on HB 2260

148 No one wishes to Testify.

148 CHAIR CARPENTER: Closes PUBLIC HEARING on HB 2260.

150 CHAIR CARPENTER: Opens WORK SESSION on HB 2260.

151 MOTION: REP. WOOTEN MOVES HB 2260 to the Full Commerce Committee with a DO PASS recommendation.

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

164 CHAIR CARPENTER: Closes WORK SESSION on HB 2260.

HB 2779 -- Allows city or county that is enterprise zone sponsor to impose additional conditions on business firm seeking precertification and eligibility for property tax exemption -- Work Session.

172 CHAIR CARPENTER: Opens WORK SESSION on HB 2779.

178 CORTRIGHT: Overviews draft amendments to HB 2779 [EXHIBIT B].

201 REP. FAHEY: Is the intent of this amendment to change wage requirements that currently exist?

207 CORTRIGHT: No. It allows additional conditions not changes to those that already exist.

220 REP. FAHEY: What does this do that is different?

228 CORTRIGHT: These amendments would require other requirements besides the first-source hiring agreement requirements.

246 REP. FAHEY: So, we are not lowering existing standard?

248 CORTRIGHT: That is correct.

250 CHAIR CARPENTER: I am concerned that cities and counties will request too many additional requirements on these business and potentially keep new businesses from locating in the enterprise zone. These amendments are an attempt to narrow the scope of conditions.

259 REP. WOOTEN: Do these amendments limit the conditions that a zone sponsor can place on a business seeking precertification?

274 CHAIR CARPENTER: Yes, These amendments are to narrow the scope of conditions that sponsors may impose on business during precertification.

279 Committee discussion relating to conditions and standards allowable by enterprise zone sponsors.

306 REP. SHIBLEY: Is there more than one enterprise zone for a particular sponsor?

314 CORTRIGHT: My understanding is that there is a one to one correlation between sponsors and zones.

319 ART FISH: There are, in some cases, multiple sponsors for different enterprise zones.

328 REP. SHIBLEY: In Lane County there is the Springfield Enterprise Zone and the West Eugene Enterprise Zone. Are they both sponsored by Lane County?

338 FISH: Yes.

344 REP. SHIBLEY: When we have language that says "a sponsor of an enterprise zone may require ..." would that be Lane County or would that be Lane County and the City of Springfield?

349 FISH: All of the sponsors would have to agree to the conditions.

360 REP. SHIBLEY: Overviews the effects of the proposed amendments.

385 Committee discussion relating to types of policies and requirements multiple sponsors could agree upon.

TAPE 38, SIDE A

010 JAQUA: Overviews types of agreements between multiple sponsors of enterprise zones.

018 FISH: Continues to overview the effects of the amendments and types of agreements between multiple enterprise zone sponsors.

029 JAQUA: Continues to overviews types of agreements between multiple sponsors of enterprise zones.

039 REP. SHIBLEY: How would you categorize the contrast between the two

versions of the bill?

053 FISH: Overviews differences between the two versions of the bill.

061 JAQUA: Continues to overviews differences between the two versions of the bill.

074 REP. FAHEY: Why would we want to limit the sponsors ability to negotiate special needs for their enterprise zone?

087 CHAIR CARPENTER: We want to limit what can be required of businesses to prevent enterprise zone sponsors from imposing too many requirements.

092 REP. SHIBLEY: There is only one public purpose for enterprise zones. That is to assist zone residents in obtaining employment opportunities. It may be child care, transportation, or specific training opportunities, etc.

106 CORTRIGHT: I think the critical words are " including but not limited to" training. If this terminology were changed you could restrict it to training.

113 Committee discussion relating to different types of requirements that relate to providing employment opportunities.

117 REP. WOOTEN: I do not support the amendment.

125 Committee discussion relating to differences between the subcommittee members' understanding of what the effects of the proposed amendments would be.

146 REP. FAHEY: I would like to move the bill without the amendments.

164 CHAIR CARPENTER: Closes WORK SESSION on HB 2779.

165 CHAIR CARPENTER: Recesses meeting at approximately 2:15 p.m..

166 CHAIR CARPENTER: Reconvenes meeting at 2:22 p.m.

Lower Saxony Delegation

170 JOAN STEVENS-SCHWENGER: Discusses Lower Saxony exchange program and Introduces members of the delegation. Presents executive summary information on report of study tour in Hanover, Germany [EXHIBIT C].

220 REP. WOOTEN: What are some of the other aspects relating to the joint role of government and industry relative to hard to place workers and a variety of other schematics in addition to training?

230 BERND SCHULZ: Responds to subcommittee discussion.

255 REP. CARPENTER: What percentage of students in your country participate in apprenticeship programs.

259 SCHULZ: Sixty percent of each age group will at any one time in their life participate in an apprenticeship program.

274 REP. FAHEY: Have you had the opportunity to visit the Fitters Apprenticeship Program?

276 SCHULZ: We were very impressed with the institution and the cooperation between the union and the management.

282 REP. FAHEY: What is the drop-out rate in your country?

288 SCHULZ: There is no actual drop-out. If a student withdraws, they return to schooling. However, students may change their minds about what trade they wish to pursue and transfer trades or pick-up full-time schooling again. If they have difficulty in their apprenticeship programs, they get extra help.

306 REP. FAHEY: How is it funded?

307 SCHULZ: By government and the apprentices contribution from their sponsor.

313 REP. FAHEY: How long is the average apprenticeship program?

314 SCHULZ: Three to three and one-half years.

329 CHAIR CARPENTER: Adjourns subcommittee meeting at 2:35 p.m.

Submitted by

Bobby Sullinger
EXHIBIT LOG

EXHIBIT A - Proposed -1 Amendments to HB 3080, submitted by Joseph Cortright, 2 pages

EXHIBIT B - Draft Amendments to HB 2279, submitted by Joseph Cortright, 1

page

EXHIBIT C - Executive Summary of Study Tour Report, submitted by Joan Stevens-Schwenger, 3 pages