

HOUSE COMMITTEE ON
COMMERCE
SUBCOMMITTEE ON
TRADE AND ECONOMIC DEVELOPMENT

April 25, 1995 Hearing Room H170
1:30 p.m. Tape 47-48

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
Bobby Sullinger, Committee Assistant

WITNESSES: Jon Jaqua, Deputy Director, Oregon Economic Development
Department
Arthur Fish, Enterprise Zone Coordinator, Oregon Economic
Department
Todd Schwartz, Employment Department
Frank Richey, Employment Department
Roger Auerbach, Employment Department
Bill Scott, Director, Oregon Economic Development Department
Roger Bassett, Communities Colleges
Mark Huston, Oregon Economic Development Department

MEASURES HEARD: HB 2966 -- Requires State Parks and Recreation Department to
work with property owners to mark historic trails -- WS
HB 2140 -- Imposes resident hiring requirement for three-year period of
abatement for qualified business firms in urban enterprise zones with fewer
than 400,000 residents -- WS
HB 3209 -- Creates Workforce Development Fund funded by
unemployment compensation taxes --WS

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 47, SIDE A

001 CHAIR CARPENTER: Brings the subcommittee to order at 1:39 p.m.
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 -- Work Session
003 CHAIR CARPENTER: Opens WORK SESSION on HB 2140.
005 CORTRIGHT: Overviews Proposed Amendment To House Bill 2140-2 [EXHIBIT
A], and Proposed Amendment To House Bill 2140-8 [EXHIBIT B].
048 Committee discussion relating to average wage rates in enterprise zones.
058 JON JAQUA: Responds to committee discussion relating to wages.
071 REP. FAHEY: Which one of the proposed amendments related to hotels and
motels located in enterprise zones?
078 ARTHUR FISH: HB 2140-6 amendments relate to hotels and resorts.
088 REP. FAHEY: I do not want enterprise zone money going to hotel and
motel operations.
096 FISH: Responds to committee discussion relating to the Sea Side Inn
resort.
102 CHAIR CARPENTER: If the Sea Side Inn had located in an enterprise zone
would they be mandated to comply with the 150% of the family wage
requirement?
104 JAQUA: Responds to committee discussion relating to wage criteria.
115 CHAIR CARPENTER: Comments on the types of industries that may benefit
from enterprise-zones.
120 REP. FAHEY: It is not cost effect for the state to award a four million
dollar tax abatement to create one minimum wage job.
131 REP. WOOTEN: Would you like a motion to adopt HB 2140-2 and HB 2140-8
amendments?

133 CHAIR CARPENTER: Yes.

136 MOTION: REP. WOOTEN: MOVES to ADOPT HB 2140-2 and HB 2140-8 amendments.

145 REP. FAHEY: Are we going to consider HB 2140-5 amendments?

147 CORTRIGHT: Overviews Proposed Amendments to House Bill 2140-5 [EXHIBIT C].

156 CORTRIGHT: Overviews Proposed Amendments to House Bill 2140-6 [EXHIBIT D].

162 Committee discussion relating to which amendments are part of the motion before the committee and how to adopt HB 2140-5 amendments.

167 VOTE: CHAIR CARPENTER: Hearing no objections the amendments are ADOPTED. REP. SHIBLEY is EXCUSED.

170 MOTION: REP. WOOTEN: MOVES to ADOPT HB 2140-5 amendments.

172 Committee discussion relating to HB 2140-5 amendments and what the amendment accomplish.

196 CHAIR CARPENTER: I do not support HB 2140-5 amendments, but we will wait for Representative Shibley to case her vote on the motion before us to adopt HB 2140-5 amendments.

203 CHAIR CARPENTER: Closed WORK SESSION on HB 2140.

208 CHAIR CARPENTER: Recesses the subcommittee for 10 minutes.

211 CHAIR CARPENTER: Reconvenes the subcommittee.

212 CHAIR CARPENTER: Opens WORK SESSION on HB 2140.

216 VOTE: PASSES: In a roll call vote, REP. FAHEY, WOOTEN, and SHIBLEY vote AYE. CHAIR CARPENTER votes NO.

245 MOTION: REP. WOOTEN: MOVES HB 2140 to the Full Commerce Committee with a DO PASS AS AMENDED recommendation.

233 VOTE: PASSES: In a roll call vote, REP. FAHEY, WOOTEN, and SHIBLEY vote AYE. CHAIR CARPENTER votes NO.

246 REP. WOOTEN will lead discussion on the floor of the Full Commerce Committee.

247 CHAIR CARPENTER: Closed WORK SESSION on HB 2140.

HB 3209 -- Creates Workforce Development Fund funded by amounts based on unemployment compensation taxes --Work Session

248 CHAIR CARPENTER: Opens WORK SESSION on HB 3209.

250 REP. WOOTEN: Presents written testimony in favor of HB 3209 [EXHIBIT E].

325 REP. WOOTEN: Continues to present [EXHIBIT E] (Funding sources).

396 CHAIR CARPENTER: Is the one-third set aside for small business enough?

398 REP. WOOTEN: Presents a letter in support of HB 3209 from the Oregon AFL-CIO [EXHIBIT F], a letter in support of HB 3209 from Workforce Quality Council [EXHIBIT G], Right approach could move state ahead - The Register-Guard [EXHIBIT H], Workforce Reinvention Initiatives [EXHIBIT I], and Economic Survival In The Twenty-First Century A Formula For Employers and Workers [EXHIBIT J].

405 Committee discussion relating to the appropriate set aside for small business.

430 REP. WOOTEN: Presents Supplemental Employment Department Administration Fund (SEDAF) - 1995-97 Governor's Recommended Budget [EXHIBIT K].

435 TODD SCHWARTZ: Presents testimony relating to the Employment Department and HB 3209.

442 FRANK RICHEY: Presents testimony relating to the financing mechanisms for HB 3209.

TAPE 48, SIDE A

023 RICHEY: Continues to present testimony relating to financing HB 3209.

031 CHAIR CARPENTER: Will this bill be revenue neutral for private business?

033 RICHEY: Responds to committee discussion relating to taxes.

046 CHAIR CARPENTER: Does this measure delay any tax reductions.

049 RICHEY: No. This would not impact tax schedules for the next four years.

055 CHAIR CARPENTER: I want to make sure this measure is revenue neutral to both businesses and the state.

062 REP. WOOTEN: This measure will remain revenue neutral for business for the life of the program.

069 REP. FAHEY: I am concerned small business will be subsidizing big business.

073 REP. WOOTEN: The bill allows small businesses to band together for common goals in areas such as training. The one-third set aside for small business is not a maximum it is a minimum dollar figure.

084 CORTRIGHT: Most Oregon workers work for companies with more than twenty employees.

094 REP. SHIBLEY: Does anyone have comments relating to the specific differences between the language of the bill or the proposed amendments?

109 ROGER AUERBACH: Responds to committee discussion relating to specific differences between the bill and its amendments.

163 REP. WOOTEN: The Employment Department did offer amendments which specified the Economic Development Department would continue with and expand on some training areas in which they are engaged.

179 AUERBACH: Presents HB 3209 - Oregon Labor and Industries Act [EXHIBIT L].

188 REP. SHIBLEY: What is OEDD's reaction to this measure?

193 BILL SCOTT: Presents written testimony relating to HB 3209 [EXHIBIT M].

248 REP. SHIBLEY: What would this bill accomplish that Oregon is not accomplishing now?

254 ROGER BASSETT: Responds to committee discussion relating to the need in Oregon for workforce training.

282 REP. SHIBLEY: What would this bill do with \$5 million that it could not do without it?

285 REP. WOOTEN: Refers to [EXHIBIT I] (Workforce Development Fund Financing).

305 RICHEY: Responds to committee discussion relating to interest earnings on Workforce Development Fund.

328 Committee discussion relating to amendments for HB 3209.

339 CORTRIGHT: Overviews Proposed Amendments to House bill 3209-1 [EXHIBIT N].

360 REP. WOOTEN: Overviews Proposed Amendments to House bill 3209-2 [EXHIBIT O].

378 CHAIR CARPENTER: On page 2, line 3 of HB 3209-2 amendments there is a blank percentage. What percentage are we going to use?

387 MARK HUSTON: I do not have an exact number.

414 CHAIR CARPENTER: I would like to have that clarified before I vote on it.

421 RICHEY: Responds to committee discussion relating to an appropriate percentage.

432 CHAIR CARPENTER: Who decides what the percentage will be?

TAPE 47, SIDE B

017 RICHEY: Responds to committee discussion relating to administrative cost.

025 CHAIR CARPENTER: I would like clarification before the bill is passed to the full committee.

030 REP. WOOTEN: We do not know how much it will cost to administer. I will provide the correct percentage to you as soon as possible.

039 MOTION: REP. WOOTEN: MOVES to ADOPT HB 3209-1 and HB 3209-2 amendments.

043 VOTE: CHAIR CARPENTER: Hearing no objection the amendments are ADOPTED. All members are present.

046 CHAIR CARPENTER: I would like to delete lines 10-12 on page 7 of HB 3209.

053 HB MOTION: REP. WOOTEN: MOVES to delete lines 7 through 12 on page 7 of 3209.

060 VOTE: CHAIR CARPENTER: Hearing no objection the amendments are ADOPTED. All members are present.

064 MOTION: REP. WOOTEN: MOVES HB 3209 to the Full Commerce Committee with

a DO PASS AS AMENDED recommendation.

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

074 REP. WOOTEN will lead discussion on the floor of the Full Commerce
Committee.

075 CHAIR CARPENTER: Closed WORK SESSION on HB 3209.

HB 2966 -- Requires State Parks and Recreation Department to work with
property owners to mark historic trails -- Work Session

080 CHAIR CARPENTER: Opens WORK SESSION on HB 2966.

081 CORTRIGHT: Overviews Proposed Amendments to House Bill 2966-2 [EXHIBIT
P].

103 MOTION: REP. SHIBLEY: MOVES to ADOPT HB 2966-2 amendments and that HB
2966-2 amendments be further amended to delete lines 9-18 on page 2.

110 VOTE: CHAIR CARPENTER: Hearing no objections the amendments are
ADOPTED. All members are present.

113 MOTION: REP. SHIBLEY: MOVES HB 2966 to the Full Commerce Committee
with a DO PASS AS AMENDED recommendation.

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

074 REP. SHIBLEY will lead discussion on the floor of the Full Commerce
Committee.

124 CHAIR CARPENTER: Closed WORK SESSION on HB 2966.

124 CHAIR CARPENTER: Adjourns the subcommittee at 2:46 p.m.

Submitted by

Bobby Sullinger
EXHIBIT LOG

EXHIBIT A - Proposed Amendment To House Bill 2140-2, Presented by Joseph
Cortright, 1 page.

EXHIBIT B - Proposed Amendment To House Bill 2140-8, Presented by Joseph
Cortright, 3 pages.

EXHIBIT C - Proposed Amendments to House Bill 2140-5, Presented by Joseph
Cortright, 3 pages.

EXHIBIT D - Proposed Amendments to House Bill 2140-6, Presented by Joseph
Cortright, 2 pages.

EXHIBIT E - Written testimony in favor of HB 3209, Presented by Rep. Cynthia
Wooten, 2 pages.

EXHIBIT F - A letter in support of HB 3209 from the Oregon AFL-CIO,
Presented by Rep. Cynthia Wooten, 1 page.

EXHIBIT G - A letter in support of HB 3209 from the Workforce Quality
Council, Presented by Rep. Cynthia Wooten. 2 pages.

EXHIBIT H - Right approach could move state ahead - The Register-Guard,
Presented by Rep. Cynthia Wooten, 2 pages.

EXHIBIT I - Workforce Reinvention Initiatives, Presented by Rep. Cynthia
Wooten, 1 page.

EXHIBIT J - Economic Survival In The Twenty-First Century A Formula For
Employers and Workers, Presented by Rep. Cynthia Wooten, 14 pages.

EXHIBIT K - Supplemental Employment Department Administration Fund (SEDAF) -
1995-97 Governor's Recommended Budget, Presented by Rep. Cynthia Wooten, 4
pages.

EXHIBIT L - HB 3209 - Oregon Labor and Industries Act, Presented by Roger
Auerbach, 7 pages.

EXHIBIT M - Written testimony relating to HB 3209, Presented by Bill Scott,
1 page.

EXHIBIT N - Proposed Amendments to House bill 3209-1, Presented by Joseph
Cortright, 2 pages.

EXHIBIT O - Proposed Amendments to House bill 3209-2, Presented by Rep.
Cynthia Wooten, 2 pages.

EXHIBIT P - Proposed Amendments to House bill 2966-2, Presented by Joseph
Cortright, 2 pages.