

February 2, 1995 Hearing Room 137
8:30 a.m. Tapes 15-16

MEMBERS EXCUSED: Sen. Joan Dukes

WITNESSES: Jon Jaqua, Oregon Economic Development Department
Mark Huston, Oregon Economic Development Department
Patrick Allen, Oregon Economic Development Department.

report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

001 CHAIR LIM: Brings the committee to order at 8:31 a.m.

004 CHAIR LIM: Opens PUBLIC HEARING on SB 166.

006 CORTRIGHT: Overviews Staff Measure Summary of SB 166 [EXHIBIT A].

052 Committee discussion.

069 CORTRIGHT: Continues overview of [EXHIBIT A].

084 Committee discussion.

092 JON JAQUA: Presents testimony in favor of SB 166.

122 MARK HUSTON: Presents written testimony in favor of SB 166 [EXHIBIT B],
and overviews Oregon Capital Access Program [EXHIBIT C].

153 HUSTON: Continues testimony.

181 JAQUA: Continues testimony.

192 HUSTON: Continues testimony.

204 Committee discussion.

209 HUSTON: Responds to committee discussion.

223 JAQUA: Refers committee to [EXHIBIT C].

229 HUSTON: Refers committee to [EXHIBIT C].

231 Committee discussion.

236 HUSTON: Responds to committee discussion.

240 Committee discussion.

244 HUSTON: Responds to committee discussion.

252 Committee discussion.

253 HUSTON: Responds to committee discussion.
259 Committee discussion.
264 HUSTON: Responds to committee discussion.
279 Committee discussion.
281 HUSTON: Responds to committee discussion.
285 HUSTON: Continues testimony.
324 Committee discussion.
329 HUSTON: Responds to committee discussion.
334 SEN. DERFLER: Are you accumulating a larger reserve account?
244 HUSTON: Responds to committee.
252 SEN. DERFLER: What is the average length of the loans?
260 HUSTON: Responds to committee.
363 Committee discussion.
364 HUSTON: Responds to committee discussion.
383 Committee discussion.
385 HUSTON: Responds to committee discussion.
389 Committee discussion.
411 SEN. BRADBURY: Do you have a history for the overmatch?
421 HUSTON: Responds to committee.
463 Committee discussion.
TAPE 16, SIDE A
030 HUSTON: Responds to committee discussion.
039 Committee discussion.
042 JAQUA: Responds to committee discussion.
058 SEN. KENNEMER: I am concerned about the 10 day notification period.
063 HUSTON: Responds to committee.
074 SEN. KENNEMER: What is the loan guarantee process?
076 HUSTON: Responds to committee.
085 Committee discussion.
097 HUSTON: Responds to committee discussion
106 SEN. KENNEMER: Where do you get your money?
112 JAQUA: Responds to committee.
115 Committee discussion.
116 JAQUA: All of our money comes from the lottery.
118 Committee discussion.
128 HUSTON: Responds to committee discussion.
129 Committee discussion.
134 HUSTON: Responds to committee discussion.
135 Committee discussion.
138 CHAIR LIM: What is the interest rate?
138 HUSTON: Responds to committee.
147 Committee discussion.
153 HUSTON: Responds to committee discussion regarding length of the loan.
158 CHAIR LIM: Do the companies have a monthly payment?
159 HUSTON: Responds to committee.
164 Committee discussion.
166 HUSTON: Responds to committee discussion.
180 Committee discussion.
183 HUSTON: Responds to committee discussion.
192 Committee discussion.

194 CORTRIGHT: FOR THE RECORD: When the Capital Access Fund is depleted the
Director of Oregon Economic Department may transfer funds from the Business

Development Fund and the Credit Enhancement Fund.

207 JAQUA: Responds to committee discussion.

213 SEN. DERFLER: Would a 60 day notification period work for you?

219 HUSTON: Responds to committee.

221 Committee discussion.

248 JAQUA: Responds to committee discussion.

252 Committee discussion.

254 HUSTON: Responds to committee discussion.

260 Committee discussion.

262 JAQUA: Responds to committee discussion.

269 Committee discussion.

282 CHAIR LIM: Closed PUBLIC HEARING on SB 166.

SB 166 - 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 state that are enrolled in capital access program
-Work Session

284 CHAIR LIM: Opens WORK SESSION on SB 166.

286 Committee discussion.

331 MOTION: SENATOR KENNEMER MOVES SB 166 be amended on page 1, line 19, to
restore the original language, delete "10 days", and insert "30 days".

339 HUSTON: I think 30 days is reasonable...

349 Committee discussion.

369 VOTE: CHAIR LIM: Hearing no objection the amendments above are ADOPTED.
SENATOR DUKES is EXCUSED.

372 Committee discussion.

419 MOTION: SENATOR KENNEMER MOVES SB 166, AS AMENDED ABOVE, to the Senate
Floor with a DO PASS WITH AMENDMENTS recommendation.

423 VOTE: PASSES In a roll call vote, all members present vote AYE. SENATOR
DUKES is EXCUSED.

428 SENATOR DERFLER will lead discussion on the Senate Floor.

430 CHAIR LIM: Closed WORK SESSION on SB 166.

SB 168 - Expands class of business firms to which financial assistance may
be provided with moneys from Economic Stabilization and Conversion Fun -
Public Hearing

441 CHAIR LIM: Opens PUBLIC HEARING on SB 168.

447 CORTRIGHT: Overviews Staff Measure Summary of SB 168 [EXHIBIT D].

TAPE 15, SIDE B

031 CORTRIGHT: Continues overview of [EXHIBIT D].

063 JAQUA: Presents testimony in favor of SB 168.

098 JAQUA: Continues testimony.

130 PATRICK ALLEN: Presents testimony in favor of SB 168.

180 ALLEN: Continues testimony.

214 Committee discussion.

221 ALLEN: Responds to committee discussion.

228 SEN. KENNEMER: What would be our liability with these consultants the
agency recommends?

277 JAQUA: Responds to committee.

303 Committee discussion.

307 ALLEN: Responds to committee discussion.

320 JAQUA: Responds to committee discussion.

327 Committee discussion.

332 JAQUA: Responds to committee discussion.

243 Committee discussion.

354 JAQUA: Responds to committee discussion.
378 Committee discussion.
398 ALLEN: Responds to committee discussion.
411 CHAIR LIM: How many employee owned companies are in our state?
412 ALLEN: Responds to committee.
420 Committee discussion.
436 ALLEN: Responds to committee discussion.
441 CORTRIGHT: Presents historical data from the Stabilization Fund [EXHIBIT
E].
452 JAQUA: Responds to committee discussion.

TAPE 16, SIDE B

022 Committee discussion.
032 ALLEN: Responds to committee discussion.
044 Committee discussion.
049 ALLEN: Responds to committee discussion.
057 CHAIR LIM: Closed PUBLIC HEARING on SB 168.
061 CHAIR LIM: Adjourns committee meeting at 10:02 a.m.

Submitted by

Bobby Sullinger
EXHIBIT LOG

EXHIBIT A - Staff Measure Summary of SB 166, Joseph Cortright, 1 page.
EXHIBIT B - Written testimony in favor of SB 166, Mark Huston, 2 pages.
EXHIBIT C - Oregon Capital Access Program, Mark Huston, 8 pages.
EXHIBIT D - Staff Measure Summary of SB 168, Joseph Cortright, 1 page.
EXHIBIT E - Historical data from the Stabilization Fund, Joseph Cortright, 2
pages.