

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	6 - 1 - 0
Yeas:	Buckley, Esquivel, Hunt, Roblan, Thatcher, Rosenbaum
Nays:	Berger
Exc.:	-
Prepared By:	Jim Stembridge, Administrator
Meeting Dates:	5/23

WHAT THE MEASURE DOES: Requires recipients of economic development assistance from the Oregon Economic and Community Development Department (OECD) to enter into signed agreements assuring that their employees are lawfully authorized to work in the United States. Requires that recipients convicted of employing a person not authorized to work in the United States repay assistance and be prohibited from receiving economic development assistance for a period of five years.

ISSUES DISCUSSED:

- Concerns about national immigration policy
- Hiring of illegal immigrants in general and the specific issue of the use of taxpayer funds
- Definition of economic development assistance, whether it applies to enterprise zone tax credits
- Conflicting information employers receive from federal agencies on their hiring procedures
- Enforcement provisions in the measure

EFFECT OF COMMITTEE AMENDMENT: Requires recipients of economic development assistance to enter into signed agreements assuring that their employees are lawfully authorized to work in the United States. Specifies that, to be penalized under the bill, recipients be convicted of employing a person not authorized to work in the United States.

BACKGROUND: The Oregon Economic and Community Development Department (OECD) budget for the current biennium is \$468.4 million (approximately \$26 million is operational), of which the state-funded portion is \$104.6 million, the federal pass-through is \$36 million, other pass-through is \$40 million, and the non-limited (revolving loan, debt service, revenue bonds) portion is \$287.8 million. OECD programs providing financial assistance to Oregon businesses, include:

- Oregon Business Development Fund (OBDF), a loan fund that works with banks to secure necessary funds.
- Oregon Business Retention Program, designed to help private sector companies. Program provides multi-industry expertise in finance, marketing, operations, turnarounds, restructurings, and feasibility studies.
- Oregon Capital Access Program (CAP) helps lenders make more commercial loans to small businesses.
- Oregon Credit Enhancement Fund (CEF), a loan insurance tool that lenders can use to help businesses needing extra security to obtain financing.
- Entrepreneurial Development Loan Fund (EDLF), initial, direct loans to help companies get started in Oregon.
- Industrial Development Revenue Bonds/Express Bonds, tax-exempt bonds, issued by the state of Oregon provide long-term financing for land, buildings and equipment.
- Local Revolving Loan Funds available for small business financing.

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This summary has not been adopted or officially endorsed by action of the committee.