

**REVENUE:** May have revenue impact, statement not yet issued

**FISCAL:** May have fiscal impact, statement not yet issued

---

<b>Action:</b>	Do Pass as Amended, Be Printed Engrossed, and Be Referred to the Committee on Ways and Means by prior reference
<b>Vote:</b>	4 - 0 - 1
<b>Yeas:</b>	George L., Monnes Anderson, Starr, Metsger
<b>Nays:</b>	0
<b>Exc.:</b>	Deckert
<b>Prepared By:</b>	Janet Adkins, Administrator
<b>Meeting Dates:</b>	3/28, 4/18, 4/25

---

**WHAT THE MEASURE DOES:** Modifies and consolidates economic development administrative provisions. Adds two members to the Economic and Community Development Commission. Increases percentage of Brownfields Redevelopment Fund that can be awarded to liable parties (from 40 to 60 percent). Renames the Economic Stability and Conversion Fund as the Business Retention Fund and allows use for transition and restructuring plans. Defines small business as having 100 or fewer employees. Requires the Small Business Development Center Network to submit a final report on meeting contract criteria. Eliminates statutory Ports Division and International Trade Commission. Increases grant awards under the Ports Planning and Marketing fund and increases assets from the Port Revolving Fund transferred to the Planning and Marketing Fund (from four to five percent). Requires ports to develop a strategic plan for funding. Authorizes the department to provide long-term refinancing of temporary public construction financing through the Special Public Works Fund and removes certain transfer restrictions for infrastructure projects between the fund and the Water Fund. Creates a limited community development project to assist economic development planning and infrastructure priority setting. Removes outdated language regarding Water Fund eligibility. Clarifies that loans must be fully collateralized and increases the maximum loan amount from the Economic Development Loan Fund, as well as removing ability to defer repayment. Deletes outdated statutory provisions on the Oregon Business Development Fund and other funds. Eliminates a \$1 million limit on the buyout of superior liens with the fund and makes the department's ability to protect assets of the fund more explicit. Removes requirement that a company employ fewer than 200 employees to be eligible for use of the Credit Enhancement Fund. Allows a regional investment strategy to be valid for a minimum of six years (now two years). Consolidates the Rural Investment Fund into the Regional Investment Fund. Establishes the Industry Outreach Fund to finance industry-related development activities. Allows the Director of the Department of State Lands to authorize withdrawal of mitigation bank credits by a public benefit corporation or public body at the request of a mitigation bank sponsor. Declares an emergency and takes effect on passage.

**ISSUES DISCUSSED:**

- Purpose of policy changes, housekeeping nature of other changes
- Reduced number of divisions and boards – ability to create by rule or executive order
- Governor's anticipated executive order regarding International Trade Commission
- Purpose of Division of State Lands' wetlands provision and advance credit purchases

**EFFECT OF COMMITTEE AMENDMENT:** Replaces the original measure which included additional changes.

**BACKGROUND:** The 2005 Legislature, through a budget note to HB 5164, directed the Economic and Community Development Commission and Department to undertake a review of economic development statutes. The budget note directed the effort to bring consistency between statutory provisions and legislatively adopted goals and outcome measures, as well as streamlining and consolidating statutory direction. A process focusing on successful programs and seeking stakeholder input guided the year-long review. The result was a list of recommendations including statutory changes, many of which are contained in Senate Bill 350-A. The recommendations included consolidating purpose and strategy statements in statute, adding two members to the commission, creating divisions and boards by administrative rule instead of statute, providing a single definition of small business, changing limits and requirements on funds and programs, and increasing oversight of Small Business Development Centers.

5/1/2007 3:59:00 PM

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