

A-Engrossed
House Bill 2879

Ordered by the House April 21
Including House Amendments dated April 21

Sponsored by Representatives J SMITH, JENSON; Representatives BAILEY, BEYER, BUCKLEY, CLEM, CONGER, ESQUIVEL, GELSER, GILLIAM, KENNEMER, LINDSAY, MATTHEWS, NATHANSON, SHEEHAN, G SMITH, THATCHER, THOMPSON, WEIDNER (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Changes name of Task Force on Stage Two Business Development and Economic Gardening to Grow Oregon Council.

Extends sunset of [*Task Force on Stage Two Business Development and Economic Gardening*] **council** from July 1, 2011, to [*July 1, 2013*] **January 2, 2016**. Adds four members to task force. Directs task force to explore opportunities for connecting economic gardening services to capital access programs.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to economic gardening; amending sections 1, 2 and 3, chapter 90, Oregon Laws 2010; and
3 declaring an emergency.

4 Whereas the Ewing Marion Kauffman Foundation has found that the fastest growing one per-
5 cent of companies tend to create 40 percent of new jobs, and these tend to be younger (three to five
6 years old), smaller (fewer than 200 employees) companies; and

7 Whereas the National Establishment Time-Series Database shows that between 1998 and 2008
8 in Oregon, resident companies created more than 209,000 jobs while nonresident companies lost over
9 10,000 jobs, and companies with fewer than 100 employees created more than 168,000 jobs while
10 companies with 100 or more employees lost over 19,000 jobs; and

11 Whereas economic gardening is a sustained, long-term strategy to create jobs and wealth by
12 providing a suite of services to high-potential second-stage companies, consisting chiefly of advanced
13 market research, market strategy and market intelligence, and including Geographic Information
14 System analysis, website and search engine optimization, social media marketing and CEO peer
15 mentoring and networking; and

16 Whereas municipal, regional and statewide economic gardening models have proven effective
17 and efficient in Littleton, Colorado, Beaverton, Oregon, the region of Portland, Oregon, Vancouver,
18 Washington, the State of Florida and elsewhere; and

19 Whereas Oregon has a broad business services infrastructure, including Business Oregon, the
20 Oregon Small Business Development Center Network and its 19 centers, business accelerators,
21 nonprofit organizations such as the Oregon Entrepreneurs Network, Oregon Microenterprise Net-
22 work and others, but there is a significant opportunity to enhance resources for second-stage fast-
23 growth potential companies, particularly with advanced market research and other economic
24 gardening services; and

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 Whereas the Task Force on Stage Two Business Development and Economic Gardening, to be
2 renamed the Grow Oregon Council, has recommended that Oregon enhance economic gardening
3 services for high-potential second-stage companies in a manner that integrates such services with
4 existing business development infrastructure; now, therefore,

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1.** Section 1, chapter 90, Oregon Laws 2010, is amended to read:

7 **Sec. 1.** (1) There is created the [*Task Force on Stage Two Business Development and Economic*
8 *Gardening*] **Grow Oregon Council**, consisting of [15] **19** members appointed as follows:

9 (a) The President of the Senate shall appoint:

10 (A) Two members from among members of the Senate who shall be from different political par-
11 ties.

12 (B) Two members representing municipal or regional economic development organizations.

13 (C) One member who shall be a current or former business leader with fast-growth business
14 experience.

15 (b) The Speaker of the House of Representatives shall appoint:

16 (A) Two members from among members of the House of Representatives who shall be from dif-
17 ferent political parties.

18 (B) Two members representing municipal or regional economic development organizations.

19 (C) One member who shall be a current or former business leader with fast-growth business
20 experience.

21 (D) One member representing a nonprofit business development organization.

22 (c) The Chancellor of the Oregon University System shall appoint one member representing the
23 system who shall be a current or former business leader.

24 (d) The Director of the Oregon Business Development Department shall appoint:

25 (A) One member representing the department.

26 (B) One member representing a small business development center who shall be a current or
27 former business leader.

28 (e) The Department of Community Colleges and Workforce Development shall appoint one
29 member representing the community colleges in this state.

30 **(f) The Governor shall appoint:**

31 **(A) Two members who are currently principals of Oregon-based companies, or have been**
32 **principals of Oregon-based companies within the past five years; and**

33 **(B) Two members who represent trade associations.**

34 [(f)] **(g)** At least two of the nonlegislative members appointed should have knowledge of ad-
35 vanced market research tools and their application.

36 (2) The [*task force*] **council** shall:

37 (a) Identify and assess Oregon's continuum of business development services with particular at-
38 tention to the needs of stage two, high-growth businesses, advanced market research, including but
39 not limited to connectivity among business service providers, and infrastructure to support
40 entrepreneurship and growth company capacity building.

41 (b) Collaborate with state and local governments and their departments, community colleges,
42 institutions of higher education and business and economic development organizations to identify
43 areas for program modification, enhancement, coordination and creation to deliver a more robust
44 continuum of services for stage two, high-growth businesses consistent with the principles of eco-
45 nomic gardening.

1 (c) Make recommendations to the [*Seventy-sixth*] **Seventy-seventh** Legislative Assembly for
2 program modification, enhancement, coordination and creation to deliver a more robust continuum
3 of services for stage two, high-growth businesses consistent with the principles of economic gar-
4 dening.

5 (d) Recommend program areas in which Oregon University System graduate programs and com-
6 munity colleges may choose to participate in order to assist in providing a more robust continuum
7 of services for stage two, high-growth businesses consistent with the principles of economic gar-
8 dening, including but not limited to courses of study and internships.

9 (e) Make recommendations for criteria for stage two, high-growth businesses as the criteria re-
10 late to recommended strategies for fast-growth stage-two business development.

11 (f) Make recommendations for key metrics and outcomes to be measured should the state create
12 an economic gardening program.

13 (g) Make recommendations for how an economic gardening program may fit within efforts under
14 way to support the development of the state's minority, women and emerging small business enter-
15 prises.

16 **(h) Explore opportunities for connecting market research and economic gardening ser-**
17 **vices to capital access programs, including but not limited to the Building Opportunities for**
18 **Oregon Small Business Today (BOOST) Account.**

19 **(i) Explore opportunities for facilitating the access of stage two, high-growth businesses**
20 **to international markets.**

21 **(j) Advise the Oregon Business Development Department or other administering entity**
22 **on a pilot program providing economic gardening services, if such a pilot program is au-**
23 **thorized.**

24 (3) A majority of the members of the [*task force*] **council** constitutes a quorum for the trans-
25 action of business.

26 (4) Official action by the [*task force*] **council** requires the approval of a majority of the members
27 of the [*task force*] **council**.

28 (5) The [*task force*] **council** shall elect one of its members to serve as chairperson.

29 (6) If there is a vacancy for any cause, the appointing authority shall make an appointment to
30 become immediately effective.

31 (7)(a) The [*task force*] **council** shall meet at least once every three months, at times and places
32 specified by the call of the chairperson or of a majority of the members of the [*task force*.] **council**.

33 **(b) The Grow Oregon Council shall cease meeting once the council:**

34 **(A) Completes its evaluation of the implementation of the pilot program providing eco-**
35 **nomic gardening services, if such a program is authorized; or**

36 **(B) Recommends against implementation of a pilot program.**

37 (8) The [*task force*] **council** may adopt rules necessary for the operation of the [*task force*]
38 **council**.

39 (9) Notwithstanding ORS 171.072, members of the [*task force*] **council** who are members of the
40 Legislative Assembly are not entitled to mileage expenses or a per diem and serve as volunteers on
41 the [*task force*] **council**. Other members of the [*task force*] **council** are not entitled to compensation
42 or reimbursement for expenses and serve as volunteers on the [*task force*] **council**.

43 (10) All agencies of state government, as defined in ORS 174.111, are directed to assist the [*task*
44 *force*] **council** in the performance of its duties and, to the extent permitted by laws relating to
45 confidentiality, to furnish such information and advice as the members of the [*task force*] **council**

1 consider necessary to perform their duties.

2 **SECTION 2.** Section 2, chapter 90, Oregon Laws 2010, is amended to read:

3 **Sec. 2.** (1) The Oregon Stage Two Business Development and Economic Gardening Fund is es-
4 tablished in the State Treasury, separate and distinct from the General Fund. Interest earned by the
5 Oregon Stage Two Business Development and Economic Gardening Fund shall be credited to the
6 fund. Moneys in the fund are continuously appropriated to the Oregon Business Development De-
7 partment for the purposes of carrying out the duties of the [*Task Force on Stage Two Business De-*
8 *velopment and Economic Gardening*] **Grow Oregon Council**. The [*task force*] **council** may advise the
9 department on specific means for expending any moneys in the fund.

10 (2) The Oregon Business Development Department may accept grants, donations, contributions
11 or gifts from any source for deposit in the Oregon Stage Two Business Development and Economic
12 Gardening Fund established in subsection (1) of this section for the purpose of enabling the [*Task*
13 *Force on Stage Two Business Development and Economic Gardening*] **Grow Oregon Council** to carry
14 out the [*task force's*] **council's** duties under section 1, **chapter 90, Oregon Laws 2010** [*of this 2010*
15 *Act*].

16 **SECTION 3.** Section 3, chapter 90, Oregon Laws 2010, is amended to read:

17 **Sec. 3.** (1) Section 1, **chapter 90, Oregon Laws 2010**, [*of this 2010 Act*] is repealed on [*July 1,*
18 *2011*] **January 2, 2016**.

19 (2) Upon the repeal of section 1, **chapter 90, Oregon Laws 2010**, [*of this 2010 Act,*] all funds
20 within the Oregon Stage Two Business Development and Economic Gardening Fund shall be trans-
21 ferred to the General Fund.

22 **SECTION 4.** **This 2011 Act being necessary for the immediate preservation of the public**
23 **peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect**
24 **on its passage.**

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