

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended, Be Printed Engrossed, and Be Referred to the Committee on Ways and Means by Prior Reference
Vote:	7 - 0 - 1
Yeas:	Lindsay, Nathanson, Read, Smith J., Weidner, Bentz, Hunt
Nays:	0
Exc.:	Sheehan
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	2/6, 2/8

WHAT THE MEASURE DOES: Establishes the Oregon Growth Fund and the Oregon Growth Board. Abolishes the Oregon Growth Account and the Oregon Growth Account Board, effective June 30, 2013. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- State of the Oregon economy
- Various agencies involved in economic development
- Need for coordination of efforts
- Investments for economic development versus investments for returns
- Availability of investment capital at various stages of business development
- Public investment versus private investment
- Importance of expertise on Board

EFFECT OF COMMITTEE AMENDMENT: Revises Board member requirements and responsibilities. Requires incorporation of leverage recommendations in the draft plan submitted to the Legislative Assembly. Deletes reference to the Board's powers relating to presumptive tax incentives. Provides that the Board may only prepare and submit plan to the 2013 Legislative Assembly and that if plan is not approved, the Board sunsets and the Oregon Growth Account does not transfer to the Board.

BACKGROUND: House Bill 4040-A creates a new entity, the Oregon Growth Board, to coordinate the state's economic development efforts under a single umbrella. Currently, the state's economic development resources are spread throughout multiple agencies without a single source to determine the efficacy of those resources. The Oregon Growth Board is charged with identifying and consolidating the state's economic development resources into a single fund, the Oregon Growth Fund. The Board is to be comprised of 10 members, including the State Treasurer and persons experienced in banking, investment and loan portfolio management, and small employers; three members are non-voting – the Director of the Business Development Department and two state legislators.

House Bill 4040-A also abolishes the Oregon Growth Account (OGA) and the board which oversees it, the Oregon Growth Account Board. The Legislative Assembly created the Oregon Growth Account in 1995 to inject seed capital to launch and expand new and emerging Oregon companies. Funds are provided from the Oregon Lottery, while returns from the investments made by the fund help fund education. The OGA, which has committed over \$99 million since its inception, is managed by external managers who vet applicants and determine where to invest in order to achieve the best chances of success. The Oregon Growth Account Board is comprised of seven members, including the State Treasurer.

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