

Joint Committee on Ways and Means

Carriers – House: Rep. Berger/Rep. Read
Carriers – Senate: Sen. Devlin/Sen. Telfer

Revenue: Revenue statement issued

Fiscal: Fiscal statement issued

Action: Do Pass the A-Engrossed Measure as Amended and as Printed B-Engrossed

Vote: 22 – 1 – 2

House

Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, McLane, Nathanson, Nolan, Read, Richardson, G. Smith, Whisnant

Nays: Thatcher

Exc:

Senate

Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Whitsett

Nays:

Exc: Verger, Winters

Prepared By: Steve Bender, Legislative Fiscal Office

Meeting Date: February 29, 2012

WHAT THE MEASURE DOES: HB 4040-B establishes the Oregon Growth Board to support economic development and directs the Board to report, by January 2013, on recommendations for implementing the functions of the Board and on proposed policies for investing and managing monies in the Oregon Growth Fund. The bill also includes provisions that, effective January 1, 2014, establish the Oregon Growth Fund; charge the Oregon Growth Board with administering the Oregon Growth Fund; abolish the Oregon Growth Account Board; transfer oversight of the Oregon Growth Account to the Oregon Growth Board and administration of the Oregon Growth Account from the State Treasurer to the Oregon Business Development Department; and allow the Oregon Growth Account to be used for investments other than in, or providing seed capital to, emerging growth businesses. The bill repeals all provisions that become effective on January 1, 2014 on June 30, 2013, thereby preventing them from becoming operative. These provisions would only become operative if the Legislature removes or modifies the repeal prior to June 30, 2013.

ISSUES DISCUSSED:

- Purposes of the bill
- Withdrawal of monies from the Education Stability Fund
- Timing of bill provisions
- Fiscal impacts of the bill

EFFECT OF COMMITTEE AMENDMENT: Maintain the Oregon Growth Account in the Education Stability Fund, transfer oversight of the Oregon Growth Account to the Oregon Growth Board and administration of the Oregon Growth Account from the State Treasurer to the Oregon Business Development Department, repeal requirement that Oregon Growth Account monies be invested in or provide seed capital for emerging growth businesses, eliminate dedication of lottery revenues to the Oregon Growth Fund, retains requirement that 10% of the monies deposited into the Education Stability Fund be deposited into the Oregon Growth Account.

BACKGROUND: The Legislative Assembly created the Oregon Growth Account (OGA) 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 bill transfers the Oregon Growth Account to the Oregon Growth Board, expands the capabilities of the OGA to support economic development programs, and creates the Oregon Growth Fund.