

STAFF MEASURE SUMMARY

House Committee On Transportation and Economic Development

Fiscal: Fiscal impact issued

Revenue: No Revenue Impact

Action Date: 02/03/16

Action: Do Pass With Amendments. (Printed A-Eng.)

Meeting Dates: 02/01, 02/03

Vote:

Yeas: 6 - Davis, Gorsek, Hack, Lively, McKeown, McLain

Exc: 1 - Bentz

Prepared By: Patrick Brennan, Committee Administrator

WHAT THE MEASURE DOES:

Replaces requirement that management companies and state agencies under contract with the Oregon Growth Board invest a specified amount in Oregon with rulemaking authority for the Board to require investment in Oregon. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- History of Oregon Growth Board
- Some larger funds won't invest in Oregon if restriction is in place
- Benefits of flexibility

EFFECT OF COMMITTEE AMENDMENT:

Adds emergency clause.

BACKGROUND:

The Legislative Assembly created the Oregon Growth Board with the passage of House Bill 4040 (2012) in order to coordinate the state's economic development efforts under a single umbrella through the Oregon Growth Account and Oregon Growth Fund. Prior to the Board's creation, Oregon's economic development resources were spread throughout multiple agencies, and there was no single entity designated with determining the efficacy of how those resources were allocated. The Board was charged with identifying and consolidating those disparate resources into a single fund, the Oregon Growth Fund. Concurrent with creation of the Oregon Growth Board was abolishment of its predecessor, the Oregon Growth Account Board, which had been created in 1995.

The Oregon Growth Board consists of seven voting members with expertise in banking, credit union operation, investment management and small business. There are also three non-voting, ex-officio members, including state legislators and the Director of the Oregon Business Development Department, and the Oregon State Treasurer.

ORS 284.887 authorizes the Oregon Growth Board to contract with multiple management companies and/or state agencies to invest moneys from the Oregon Growth Account and Oregon Growth Fund. The statute requires that a percentage of these moneys equal to the amount of principal transferred from the Account and the Fund be invested in Oregon. House Bill 4020 A modifies this provision by specifying that the Oregon Growth Board may impose this requirement by rule.