

MINUTES
HOUSE BUSINESS COMMITTEE

DATE: Monday, February 11, 2013
TIME: 1:30 P.M.
PLACE: Room EW41
MEMBERS: Chairman Henderson, Vice Chairman Thompson, Representatives Collins, Crane, Palmer, Barbieri, Batt, Agidius, Clow, Hixon, Kauffman, Monks, Morse, Stevenson, Youngblood, Smith, Rusche, Gannon
**ABSENT/
EXCUSED:** None.
GUESTS: Wayne Hoffman, Idaho Freedom Foundation; Megan Ronk, Idaho Dept. of Commerce; Jeff Snyder, Idaho Dept. of Commerce; Matt Keenan, Idaho Reporter; Russell Westerberg, Westerberg and Associates; Elizabeth Criner, NWFPA; Ray Stark, Boise Metro Chamber of Commerce; Miguel Legarna, Ratoes; Jeremy Pisca, Jobs for Idaho; Clark Raus, BVEP, Jobs for Idaho

Chairman Henderson called the meeting to order at 1:29 P.M.

Rep. Hixon made a motion to approve the minutes of February 7, 2013. **Motion carried by voice vote.**

H 100

Jeff Sayer, Director of the Department of Commerce, presented **H 100**, Idaho Opportunity Fund. He said **H 100** will create a competitive advantage for Idaho in attracting companies to Idaho and to aid existing companies to expand. He gave an overview of past efforts and successes of the Director's Fund which is currently in place and from which this Fund will derive. He said the Idaho Opportunity Fund structure creates transparency and invests only in permanent infrastructure solutions for communities. He said \$400,000 currently in the Director's Fund will formally establish the Idaho Opportunity Fund. He said a one time infusion of \$3 million has been requested. He said the first objective is to approve legislation to set up the Idaho Opportunity Fund in statute. He outlined the requirements of the Fund: 1. A community match which can be monies, in-kind, labor, materials, 2. Negotiated terms as to the number of jobs created, how much capital investment, and set time limits, 3. State grant funds are disbursed after performance based objectives have been accomplished. He said this guarantees a return on investment for Idaho. He said additional funds can be applied from Community Development Block Grants and other federal grants. He said the primary focus is to bring new business to Idaho and expand existing businesses, and that new business start-up funding is not anticipated as other funds are available for this purpose. He said future requests for appropriation will not be made until reports and analysis of the Idaho Opportunity Fund investments reveal a satisfactory return on investment and achievement of performance goals. He said this improves upon the structure of the Director's Fund which currently operates solely at the Director's discretion.

Wayne Hoffman, Executive Director, Idaho Freedom Foundation, **spoke in opposition to H 100**. He said the term "reasonable jobs" should not be determined by government. He noted these types of arrangements cause issues to arise, as reflected in past situations in other states whereby grant funds are not tracked. He said he did not find the costs of putting forth the programs were not evaluated. He said he favors creating jobs by lowering taxes and eliminating regulatory barriers. He said he disagrees with the rule making authority invested in the Director without limitations, guidelines, and legislative oversight or direction and does not find provisions for performance agreements set forth in clear language. He said the provisions for local match which may include money, labor, and in-kind assets allows small jurisdictions to designate the "in kind" and therefore could lead to favoritism.

Clark Kraus, Boise Valley Economic Partnership, **spoke in support of H 100**. He said his sales missions offering Idaho sites to prospective companies are increasing with business from other states, Europe and Asia expressing interest. He said **H 100** is a tool that may make a difference in attracting and growing more jobs for Idaho. He supports **H 100** as performance based legislation with set deliverables, accountability, transparency, and time limits.

Jeff Sayer closed the discussion by affirming that state monies will be safeguarded and Idaho will become more competitive in bringing businesses and jobs to Idaho.

MOTION: **Rep. Agidius** made a motion to send **H 100** to the House with a **DO PASS** recommendation. **Motion carried by voice vote. Chairman Henderson** and **Rep. Thompson** will sponsor **H 100**.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:53 P.M.

Representative Henderson
Chair

Catherine Costner
Secretary