

**2013 HOUSE INDUSTRY, BUSINESS, AND LABOR**

**HB 1432**

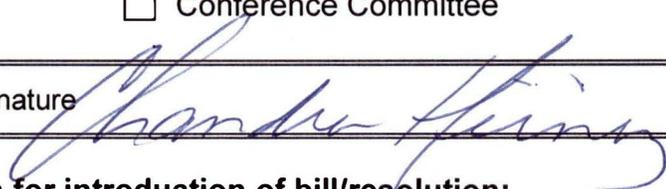
# 2013 HOUSE STANDING COMMITTEE MINUTES

House Industry, Business and Labor Committee  
Peace Garden Room, State Capitol

HB 1432  
January 30, 2013  
Job 18042

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Rough Rider award films

## Minutes:

Attachments 1, 2

Hearing on HB 1432 opened.

**Representative Mike Schatz, District 36:** Provided two proposed amendments, attachments 1 and 2. I feel that with the passage of Measure 4 to ban smoking in all indoor places, the tobacco prevention and control advisory board has achieved a major goal and is no longer in need of advertising dollars. The intent of this bill is to create a film production agency, administered by the Tourism Department, that would produce feature-length films about historical figures in North Dakota. These would then be marketed to appear in theaters or pay per view. Because we have such a number of Rough Rider award winners, we have a natural selection of personalities to choose from. The Rough Rider Production Agency would use our universities for various aspects of production, as actors, screenplays, sets, and so on. The people of our nation are hungry to know what makes our state great, and we should use this opportunity to tell them.

1:51 **Representative Kasper:** Could you give us an idea of how this would work if the bill was passed? What would be the mechanics?

**Representative Schatz:** This is a new concept. My theory is we have all these resources in this state. We have a great story to tell. People are hungry for good films. We have terrific hall of fame winners, and many people do not know who they are. We have the resources. The money would come out of an area which has achieved what needs to be achieved. Commercials are gone, but a film would last.

4:30 **Representative Kasper:** The bill does not seem to have direction about how the award would be made or distributed. It does not have a method of determining or reviewing the requests or limiting the amount of each grant so that the money is not used up in one film.

5:14 **Representative Schatz:** I agree with you completely. As I'm thinking through this thing, I'm thinking over how this will work exactly. It's a new concept, and I wanted to get it

out there. I'm going to do some brainstorming to see if we can come up with ideas as to what direction, what language should be put in there regarding who is in charge and how it is going to be done.

**5:44 Representative Ruby:** Do you have any concerns of the quality that might be created? If someone chose a prominent North Dakota historical figure and they completely embellish the story and misrepresented what was going on, then those funds would have assisted in funding something of less than quality work.

**6:21 Representative Schatz:** There are concerns with that. We want them to be as historically accurate as possible. We could utilize the state historical society to check for correctness. As far as who will decide what, I do not have that language in there. Right now it is open ended, and more decisions will be needed.

**7:10 Representative Boschee:** Please provide background on the monetary amount named in the bill.

**7:10 Representative Schatz:** The money amount, \$10,000,000, came four years ago when we tried to take money out of that fund. Part went into the water fund, I believe. I'm thinking that if you're ever going to do a feature film, it would cost a lot of money. The beauty of it, however, is that if you develop a film which was extraordinary, you would get that money back. You would be taking a risk, but it could be a money maker.

**8:18 Representative Beadle:** North Dakota isn't known as a mini Hollywood but it does have some production companies. Would this fund, this tourism-monitored activity, be a competition for production companies in the state, or would it be looking to work more hand-in-hand with a production that would be looking to make a film about the state?

**Representative Schatz:** First you want a screenplay, a good story. The structure of who would ultimately choose would likely be a board of some sort. There would be competition for that type of thing: screenplays, actors, and so on. It would give universities and independent companies an opportunity.

**9:42 Representative Kreun:** Have we had any opposition of the transfer of money from one fund to the other?

**9:52 Representative Schatz:** I have not, but I have the feeling we probably will.

**10:04 Representative Kreun:** This isn't a bad idea to promote North Dakota in this respect. Why don't we have the North Dakota Smoking Coalition sponsor the movie?

**10:24 Representative Schatz:** That works for me.

**10:29 Chairman Keiser:** Last suggestion, we had a lengthy discussion about this fund and the dollars in it, and we did transfer under some objections a lot of money into the water program. When this fund was created and the money transferred, it resulted in the elimination in a lot of good programs in the health department which had been funded by

these dollars originally. Do you think we should also consider the programs in the health department which were eliminated when the original transfer to the tobacco fund occurred?

11:37 **Representative Schatz:** I have not gone through that part of the transfer of money and what their budgets are.

**Support:**

**Chairman Keiser:** Would you run through the amendments?

**Representative Schatz:** Walked through amendment 13.0055.01001 (attachment 1) and amendment 13.0055.01002 (attachment 2).

**Opposition:**

**Neutral:**

13:39 **Karalee Harper, director of the Chronic Disease Division of the Department of Health:** There are actually two different tobacco trust funds. The one which was being discussed with the 45-45-10, that 10% is actually the community health trust fund. You were correct that there were programs which are now not funded out the community health trust fund. What I see with this bill is the separate tobacco settlement fund, which a different pot of money which goes to the Center for Tobacco Prevention and Control. Between that pot of money for the center as well as the community health trust fund, which from the Department of Health as well as federal dollars, that makes up the comprehensive program. Again, it appeared that there was some misunderstanding.

14:54 **Chairman Keiser:** Does the department of health support these dollars being used in this way?

**Karalee Harper:** The department does not have a stand.

**Hearing closed.**

Representative Ruby **moves the amendments be adopted;** Representative N. Johnson seconded the motion.

**Voice vote** with all in favor to adopt the amendments.

Motion to **do pass as amended** made by Representative Kasper and seconded by Representative Frantsvog.

16:14 **Chairman Keiser:** This will not get through appropriations. This concept may or may not be interesting, but it is not well founded. I suggest to you that our committee cannot send the bill out that does not have the framework on how these funds will be accessed, who would have oversight, and what would happen with them. If the committee chooses to put in the time to put that structure on the bill and then it starts to make sense, then maybe it could be taken forward.

17:07 **Representative Kasper:** I would like to withdraw my motion and volunteer to work with Representative Schatz and anyone else on the committee to put those amendment on the bill and to fix it up in the area which needs to be done.

Representative Kasper **withdraws motion.** Representative Frantsvog withdraws seconds.

**Chairman Keiser:** We will hold bill and see what we can do with it.

**Chairman Keiser:** These dollars are there, and if they are to be taken out of the tobacco trust fund, and I think there is room to take them from there, there are a lot of applications that those dollars will be used for throughout the state before they would ever go into a film project.

# 2013 HOUSE STANDING COMMITTEE MINUTES

House Industry, Business and Labor Committee  
Peace Garden Room, State Capitol

HB 1432  
February 4, 2013  
Job 18248, minute 23:47 to 24:30  
Recording contains committee action on various bills

Conference Committee

Committee Clerk Signature

## Explanation or reason for introduction of bill/resolution:

Rough Rider award films

## Minutes:

You may make reference to "attached testimony."

From minute 23:47 to 24:30 of recording

Chairman Keiser: Representative Kasper, I know you were going to work on HB 1432. I am willing to let you continue to work. But after what we saw on the floor today, I can tell you this is not going to make it through.

Representative Kasper: Representative Schatz gave me an article about something similar in the state of Michigan. He said he is working on an amendment, and I told him he has to get it to me. I have not received it yet. I will find him and will give him until tomorrow afternoon.

# 2013 HOUSE STANDING COMMITTEE MINUTES

House Industry, Business and Labor Committee  
Peace Garden Room, State Capitol

HB 1432

February 6, 2013

Job 18425, 0:13 to 10:53

Recording contains committee action on various bills

Conference Committee

Committee Clerk Signature

## Explanation or reason for introduction of bill/resolution:

Rough Rider award films

## Minutes:

Attachment 1

0:13 Chairman Keiser asked committee members to turn to HB 1432. Updated committee that Representative Schatz has been working on an amendment.

1:45 Chairman Keiser reopened discussion on HB 1432.

2:39 **Representative Schatz:** Introduced the amendment, 13.0055.01004, attachment 1. The amendment will further clarify the meaning of the bill. Reviewed concept of original bill which would take \$10 million from the Tobacco Prevention and Control Fund and create the Rough Rider Film Production Fund. The structure of this transfer will be that there will be an advisory group, and the funds will be appropriated to the Department of Commerce. The Division of Tourism will be assisting in the production of the films.

3:30 to 5:00 Representative Schatz proceeded to walk through the specifics of the advisory group, the continuing appropriation, and the distribution of funds. Representative Schatz outlined the makeup of the five-member advisory board as indicated in Section 1, subsection 2.

5:00 **Representative Schatz:** I know we're treading new ground, but this merits a consideration because North Dakota is one of the hottest commodities in the country. People are interested in what we're doing and how we got here. Our story needs to be told. It's time that someone starts producing films of substance. What bothers me about what goes on with tobacco is the commercials and the excessive amount of money that I feel is being wasted. This would produce a fill that would last forever. If it were to make money, it would give it back to the tobacco prevention and control fund. It's one of those things that anytime you have a venture like this, it is going to be a risk.

Representative Ruby **moves to adopt amendment** provided by Representative Schatz. Representative N. Johnson seconds the motion.

Voice vote to adopt the amendment. **Motion carried; the amendments are on the bill.**

Representative Becker **moves for a do not pass as amended.** Representative Gruchalla seconds the motion.

7:29 **Representative Ruby:** I am going to resist the motion. It is a unique idea and is thinking out of the box. The telling of the history of North Dakota should be encouraged. This bill is not requiring it. If by chance if there is, this would be a way to assist it with money that I agree might be going into television or something which is not as beneficial for the state as what this could be.

8:12 **Representative Becker:** I think that Rep. Schatz has an admirable idea on how to better spend money in the tobacco fund. I do not intend to appear disrespectful with my motion for a do not pass. However, I think that there are yet better ways to dispense with the tobacco funds. I would love to see moving about North Dakota, and I know we have the highest incidence of millionaires in North Dakota now. I think that there is a lot of possibility for venture capital for some of these movies. I do not believe that this is a way for our government to spend money on films that we hope will make money and would compete with other film makers.

**Roll call vote on a do not pass as amended. Motion for a do not pass as amended carries.**

**Yes = 12**  
**No = 2**  
**Absent = 1**

**Carrier: Representative Boschee**

YK  
2/6/13  
1082

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1432

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 54-34.4 of the North Dakota Century Code, relating to a department of commerce division of tourism film production program; to provide a continuing appropriation; and to provide for a transfer.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1.** A new section to chapter 54-34.4 of the North Dakota Century Code is created and enacted as follows:

**Rough rider award film production fund - Advisory group - Continuing appropriation.**

1. The rough rider award film production fund is a special fund in the state treasury. All moneys in the rough rider award film production fund are appropriated to the department of commerce on a continuing basis for the purpose of the division of tourism assisting in the financing of the production of films relating to rough rider award winners, notable North Dakotans, or other individuals of interest.
  - a. Interest earned on moneys in the fund must be credited to the fund.
  - b. Funds in the fund may be used by the department of commerce for the costs of administration of the fund.
  - c. Any profits the state recognizes from a film produced under this section must be distributed as follows in the following priority:
    - (1) First, deposit in the rough rider award film production fund, not to exceed a fund balance of ten million dollars;
    - (2) Second, deposit remaining funds in the tobacco prevention and control fund, not to exceed ten million dollars total deposit in this fund under this section; and
    - (3) Third, deposit all remaining funds in the general fund in the state treasury.
2. The division of tourism shall consult with an advisory group in determining what films will be produced under this section. The advisory group shall advise the division of tourism on the production of films under this section. The advisory group consists of the director of the state historical society, a representative of the Bank of North Dakota, the chairman of the North Dakota humanities council, one senator appointed by the majority leader of the senate of the legislative assembly, and one representative appointed by the majority leader of the house of representatives of the legislative assembly.

**SECTION 2. TRANSFER - TOBACCO PREVENTION AND CONTROL FUND - ROUGH RIDER AWARD FILM PRODUCTION FUND.** Notwithstanding section 54-27-25, the office of management and budget shall transfer the sum of \$10,000,000 from the tobacco prevention and control fund to the rough rider award film production fund, during the biennium beginning July 1, 2013, and ending June 30, 2015."

Renumber accordingly

Date: Feb 1-30-2013

Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1432

House Industry, Business, and Labor Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider  Consent Calendar

Motion Made By Ruby Seconded By Johnsa

Representatives	Yes	No	Representatives	Yes	No
Chairman George Keiser			Rep. Bill Amerman		
Vice Chairman Gary Sukut			Rep. Joshua Boschee		
Rep. Thomas Beadle			Rep. Edmund Gruchalla		
Rep. Rick Becker			Rep. Marvin Nelson		
Rep. Robert Frantsvog					
Rep. Nancy Johnson					
Rep. Jim Kasper					
Rep. Curtiss Kreun					
Rep. Scott Louser					
Rep. Dan Ruby					
Rep. Don Vigesaa					

Waive

Total Yes No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

Date: 1-30-2013

Roll Call Vote #: 2

**2013 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1432**

**House Industry, Business, and Labor Committee**

Legislative Council Amendment Number \_\_\_\_\_

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider  Consent Calendar

Motion Made By Kasper Seconded By Frantsvog

Representatives	Yes	No	Representatives	Yes	No
Chairman George Keiser			Rep. Bill Amerman		
Vice Chairman Gary Sukut			Rep. Joshua Boschee		
Rep. Thomas Beadle			Rep. Edmund Gruchalla		
Rep. Rick Becker			Rep. Marvin Nelson		
Rep. Robert Frantsvog					
Rep. Nancy Johnson					
Rep. Jim Kasper					
Rep. Curtiss Kreun					
Rep. Scott Louser					
Rep. Dan Ruby					
Rep. Don Vigesaa					

Total Yes \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

*Motion*  
*Withdrawn*



Date: 2-6-2013

Roll Call Vote #: 2

**2013 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1432**

**House Industry, Business, and Labor Committee**

Legislative Council Amendment Number 13-0055-01004

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider  Consent Calendar

Motion Made By Becker Seconded By Gruchalla

Representatives	Yes	No	Representatives	Yes	No
Chairman George Keiser	✓		Rep. Bill Amerman	✓	
Vice Chairman Gary Sukut		✓	Rep. Joshua Boschee	✓	
Rep. Thomas Beadle	✓		Rep. Edmund Gruchalla	✓	
Rep. Rick Becker	✓		Rep. Marvin Nelson	✓	
Rep. Robert Frantsvog	✓				
Rep. Nancy Johnson	✓				
Rep. Jim Kasper		no			
Rep. Curtiss Kreun	✓				
Rep. Scott Louser	✓				
Rep. Dan Ruby		✓			
Rep. Don Vigesaa	✓				

Total Yes 12 No 2

Absent 2

Floor Assignment Boschee

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**HB 1432: Industry, Business and Labor Committee (Rep. Keiser, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (12 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). HB 1432 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 54-34.4 of the North Dakota Century Code, relating to a department of commerce division of tourism film production program; to provide a continuing appropriation; and to provide for a transfer.

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Renumber accordingly

**2013 TESTIMONY**

**HB 1432**

13.0055.01001  
Title.

① HB 1432  
130-  
2013

Prepared by the Legislative Council staff for  
Representative Schatz  
January 28, 2013

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1432

Page 1, line 13, replace "**SETTLEMENT**" with "**PREVENTION AND CONTROL**"

Page 1, line 15, replace "settlement" with "prevention and control"

Renumber accordingly

13.0055.01002  
Title.

HB1432  
② 1-30-  
2013

Prepared by the Legislative Council staff for  
Representative Schatz  
January 29, 2013

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1432

Page 1, line 11, after "winners" insert "and other notable North Dakotans or persons of interest"

Renumber accordingly

February 5, 2013

① 2-6-2013  
pm

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1432

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