

1999 HOUSE FINANCE AND TAXATION

HB 1402

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1402

House Finance and Taxation Committee

Conference Committee

Hearing Date January 25, 1999

Tape Number	Side A	Side B	Meter #
1		x	12.6
Committee Clerk Signature <i>Jamie Stein</i>			

Minutes:

REP. BELTER Opened the hearing.

SEN. TERRY WANZEK, DIST. 29 Introduced the bill. When we look at agriculture in general and farming and ranching, I think we have some of the finest in the nation. When we look at the percent of the food dollar that is spent by consumers, the high percentage of that dollar that is part integration and processing phase, distribution phase, we have examples in North Dakota now, where farmers have cooperated or North Dakotans have come together and created a profitable and legitimate entity that is processing and adding value to our commodities or ag production here in North Dakota. It does require a lot of capital on behalf of North Dakota agricultural people. These types of ventures are profitable and good for all of North Dakota. This bill would extend some kind of assistance to those for taking the risk.

SEN. KEN KROEPLIN, DIST. 23, Testified in support of the bill. This would allow the state to share in the risk. It would probably encourage investors that may not have invested. There are a lot of co-ops, that have been value added.

REP. MIKE BRANDENBURG, DIST. 26 Testified in support of the bill, as the prime sponsor of the bill. This would give an investor the incentive to get into this business.

REP. WINRICH On page 1, line 15, what is the practical effect of that restriction?

REP. BRANDENBURG Actually, all businesses already have this, this will just bring to a cooperative.

ROGER JOHNSON, COMMISSIONER OF AGRICULTURE, Testified in support of the bill. Related to the brochure Commission On The Future of Agriculture, page 2. He said obviously, there will be a fiscal impact.

REP. WARNER How did you come in with the fifteen year time limit, is that standard in business law?

ROGER JOHNSON I am not sure, I believe it is stated in the other bill also.

REP. KROEBER How can you set a minimum, a tax credit of not less than five thousand?

ROGER JOHNSON You can set that number wherever you choose. If there is a substantial investment on the part of an investor in a value added venture, this bill says that investment is at least five thousand dollars. If you chose to make it less than that, you certainly could.

MARK SITZ, NORTH DAKOTA FARMERS UNION, Testified in support of the bill.

It is important to recognize there is need to give incentive to folks out there who wish to invest in value added North Dakota. Value added has proven itself for the past years, and this is another tool we can use.

With no further testimony, the hearing was closed.

COMMITTEE ACTION 1-26-99, Tape #2, Side A, Meter #21.4

REP. BELTER Suggested an amendment to page 2, line 11, to change the word "fifty" to "twenty".

REP. WARNER Presented amendments prepared by the legislative council, on page 2, line 11, would remove "less than five thousand dollars and not" and would replace the "fifty" with "twenty".

REP. WARNER Made a motion to adopt the amendments as presented.

REP. RENNER Second the motion. MOTION CARRIED BY VOICE VOTE.

After considerable discussion, the motions were withdrawn so that more information could be researched. The bill would be acted on at a later date.

COMMITTEE ACTION 2-8-99, Tape #2, Side A, Meter #12.2

REP. GROSZ Made a motion for a DO PASS AS AMENDED.

REP. RENNERFELDT Second the motion. MOTION CARRIED.

14 Yes 0 No 1 Absent

REP. SCHMIDT Was given the floor assignment.

COMMITTEE ACTION 2-10-99, Tape 1, Side B, Meter #3.2

REP. BELTER Requested a motion to reconsider the action by which the bill was passed out of committee.

REP. GRANDE Made a motion to reconsider the action.

REP. MICKELSON Second the motion.

Page 4

House Finance and Taxation Committee

Bill/Resolution Number Hb 1402

Hearing Date January 26, 1999

REP. BELTER Stated we are in dire straits as far as our expenditures go and need to look at every possible savings there is.

REP. GRANDE Made a motion for a DO NOT PASS AS AMENDED.

REP. RENNER Second the motion. MOTION CARRIED

9 Yes 5 No 1 Absent

REP. BELTER Will have the floor assignment.

FISCAL NOTE

Turn original and 14 copies)

Bill/Resolution No.: _____

Amendment to: HB 1402

Requested by Legislative Council

Date of Request: 2/12/99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts. Please provide breakdowns, if appropriate, showing salaries and wages, operating expenses, equipment, or other details to assist in the budget process. In a word processing format, add lines or space as needed or attach a supplemental sheet to adequately address the fiscal impact of the measure.

Narrative: If Enacted as amended, HB 1402 is expected to reduce revenues by \$178,000 in the 1999-2001 biennium.

2. **State** fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			-\$178,000			
Expenditures						

3. What, if any, is the effect of this measure on the budget for your agency or department:

a. For rest of 1997-99 biennium: _____

(Indicate the portion of this amount included in the 1999-2001 executive budget:)

b. For the 1999-2001 biennium: _____

(Indicate the portion of this amount included in the 1999-2001 executive budget:)

c. For the 2001-03 biennium: _____

4. **County, city, and school district** fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

If additional space is needed
attach a supplemental sheet.

Signed: 

Typed Name: Kathryn L. Strombeck

Department: Tax

Date Prepared: February 15, 1999

Phone Number: 328-3402

FISCAL NOTE

(Return original and 14 copies)

Resolution No.: HB 1402

Amendment to: _____

Requested by Legislative Council

Date of Request: 1/20/99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts. Please provide breakdowns, if appropriate, showing salaries and wages, operating expenses, equipment, or other details to assist in the budget process. In a word processing format, add lines or space as needed or attach a supplemental sheet to adequately address the fiscal impact of the measure.

Narrative: If Enacted, HB 1402 could reduce revenues by \$218,000 in the 1999-2001-beinnium.

2. State fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			-\$218,000			
Expenditures						

3. What, if any, is the effect of this measure on the budget for your agency or department:

a. For rest of 1997-99 biennium: _____

(Indicate the portion of this amount included in the 1999-2001 executive budget:)

b. For the 1999-2001 biennium: _____

(Indicate the portion of this amount included in the 1999-2001 executive budget:)

c. For the 2001-03 biennium: _____

County, city, and school district fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

If additional space is needed
attach a supplemental sheet.

Signed: 

Typed Name: Kathryn L. Strombeck

Department: Tax

Date Prepared: January 25, 1999

Phone Number: 328-3402

Please type or use black pen to complete

Date ~~1-26-99~~ 2-8-99
Roll call vote # 3
1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1402

House HOUSE FINANCE & TAX Committee

- Subcommittee on _____
- Conference Committee _____

Reconsidered

} Identify or check where appropriate

Legislative Council Amendment Number _____

Action Taken Do Pass as amended

Motion Made By Rep. GROSZ Seconded By Rep. Rennebeck

Representatives	Yes	No	Representatives	Yes	No
BELTER	✓		WINRICH	✓	
RENNERFELDT	✓				
CLARK	✓				
FROELICH	✓				
GRANDE	✓				
GROSZ	✓				
HERBEL	✓				
KROEBER	✓				
MICKELSON	✓				
NICHOLAS	A				
RENNER	✓				
SCHMIDT	✓				
WARNER	✓				
WIKENHEISER	✓				

Total 14 0
(Yes) (No)

Absent 1

Floor Assignment Rep. Schmidt

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

DO NOT USE HIGHLIGHTER ON ANY FORMS

Please type or use black pen to complete

Date 2-10-99
Roll call vote # 2

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1402

House HOUSE FINANCE & TAX Committee

- Subcommittee on _____
- Conference Committee

} Identify or check where appropriate

Legislative Council Amendment Number _____

Action Taken Do Not Pass as amended

Motion Made By Rep. Grande Seconded By Rep. Renner

Representatives	Yes	No	Representatives	Yes	No
BELTER	✓		WINRICH		✓
RENNERFELDT	✓				
CLARK	✓				
FROELICH	A				
GRANDE	✓				
GROSZ	✓				
HERBEL	✓				
KROEBER		✓			
MICKELSON	✓				
NICHOLAS		✓			
RENNER	✓				
SCHMIDT		✓			
WARNER		✓			
WIKENHEISER	✓				

Total 9 5
(Yes) (No)

Absent 1

Floor Assignment Rep. Belter

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

DO NOT USE HIGHLIGHTER ON ANY FORMS

REPORT OF STANDING COMMITTEE (410)
February 10, 1999 3:28 p.m.

Module No: HR-27-2503
Carrier: Belter
Insert LC: 90582.0201 Title: .0300

REPORT OF STANDING COMMITTEE

HB 1402: Finance and Taxation Committee (Rep. Belter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (9 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). HB 1402 was placed on the Sixth order on the calendar.

Page 2, line 11, remove "less than five thousand dollars and not" and replace "fifty" with "twenty"

Renumber accordingly