

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2033 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1039

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1039

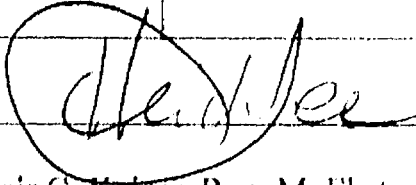
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1039

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Jan 23, 2001

Type Number	Side A	Side B	Meter #
1	X		.53-41.69
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Kelsner, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.
Rep Glassheim: *Chairman of Commerce and Labor Committee* Sponsoring HB 1039.

Jennifer Clark: *Counsel, NDLC* **Written testimony**

Rep Froelich: Why didn't this pass in Ohio?

Clark: Funding problems.

Sen Grendenburg: I support this bill as a cosponsor. Venture capital is a major priority because growth has to come from within. We all need a common strategy.

Chairman Berg: We can look at all the programs and roll them together or eliminate them as seems fit. We'll close the hearing on HB 1039.

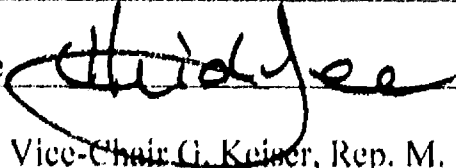
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1039(B)

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Feb 6, 2001

Tape Number	Side A	Side B	Meter #
3	X	X	46.2-3.4
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Chairman Berg: This bill provides \$5 million in tax credits for a venture captiol fund. The intent is basically to get this into the legislative body.

Rep Ruby: This puts people's money in to venture but the individuals recieve no direct benefits.

Rep Jensen: I move a do not pass.

Rep M. Klein: I second.

12 yeam 1 nay, 2 absent Carrier Rep Keiser

FISCAL NOTE

Requested by Legislative Council
12/14/2000

Bill/Resolution No.: HB 1039

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

HB 1039 provides for a state venture capital fund. Sections 7 and 8 deal with tax credits, and set the combined aggregate amount of available credits at \$5 million. The actual fiscal impact of these provisions is unknown.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Kathryn L. Strombeck	Agency:	Tax Department
Phone Number:	328-3402	Date Prepared:	01/17/2001

Date: 2-6-01
 Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. ~~Click here to type Bill/Resolution No.~~ 1039

House Industry, Business and Labor Committee

- Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Jensen Seconded By M. Klein

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg	✓		Rep. Jim Kasper		
Vice-Chairman George Keiser	✓		Rep. Matthew M. Klein	✓	
Rep. Mary Ekstorm	✓		Rep. Myron Koppang	✓	
Rep. Rod Froelich			Rep. Doug Lemieux	✓	
Rep. Glen Froseth	✓		Rep. Bill Pietsch	✓	
Rep. Roxanne Jensen	✓		Rep. Dan Ruby	✓	
Rep. Nancy Johnson	✓		Rep. Dale C. Severson	✓	
			Rep. Elwood Thorpe		✓

Total (Yes) 12 No 1

Absent 2

Floor Assignment Rep Keiser

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

REPORT OF STANDING COMMITTEE (410)
February 7, 2001 12:55 p.m.

Module No: HR-21-2589
Carrier: Kelsner
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

**HB 1039: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends
DO NOT PASS (12 YEAS, 1 NAY, 2 ABSENT AND NOT VOTING). HB 1039 was
placed on the Sixth order on the calendar.**

2001 TESTIMONY

HB 1039

Testimony of Jennifer S. N. Clark, Counsel, North Dakota Legislative Council, to the House Industry, Business and Labor Committee.

January 23, 2001

House Bill No. 1039 was approved and recommended to the Legislative Council by the Interim Commerce and Labor Committee. The bill is based on Ohio Senate Bill No. 301, which was considered by the Ohio General Assembly in 2000. The Ohio bill essentially died in committee and the bill's sponsor, Senator Horn, retired after the 2000 session. Comments by a representative of the Ohio Legislative Service Commission indicate the bill failed for fiscal reasons.

In general, House Bill No. 1039 provides for creation of a North Dakota venture capital program, which includes a seven-member North Dakota Venture Capital Authority, which is responsible for creating a lending and investment policy and for contracting with a private, for-profit investment fund to carry out the lending and investment component of the program. The bill provides for a one-time issuance of state income tax credits in the amount of \$5 million for use in guaranteeing any losses that may occur under the program.

Section 1 of the bill provides the purpose of the program and a basic summary of the program.

Section 2 of the bill provides for the creation of the North Dakota Venture Capital Authority, the authority membership, and member expense reimbursement.

Section 3 of the bill provides the duties of the authority include creation of a lending and investment policy and details the required elements of that policy.

Section 4 of the bill provides the details of how the guarantees are to be used and limitations on the guarantees.

Section 5 of the bill provides the authority may contract with a private, for-profit investment fund to carry out the lending and investment component of the program and provides the necessary elements of any contract between the authority and the program fund.

Section 6 of the bill provides for confidentiality of certain venture capital program information and provides the circumstances under which the authority may hold executive sessions.

Section 7 of the bill provides how state income tax credits may be used by the authority and the program fund.

Section 8 of the bill provides how state income tax credits may be used by state income tax payers.

Section 9 of the bill provides for creation of a North Dakota Venture Capital Fund and a North Dakota Venture Capital Guarantee Fund.

Section 10 of the bill provides that neither the state nor the authority are liable for damages in any claim for relief for any loss incurred under the program.

Section 11 of the bill provides for mandatory reports from the authority to the Governor and to the Legislative Council.