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ROLL NUMBER

DESCRIPTION

1042

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1042

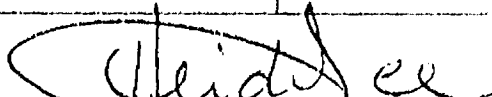
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1042

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Jan 23, 2000

Tape Number	Side A	Side B	Meter #
1	X		42.6-46.2
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.

Jennifer Clark: *Legal Council NDLC* This bill basically has two concepts. The venture capitol corporation and minimum requirement that it would need to be. The first change is that the venture capitol corporations could be smaller. The current requirement is \$500,000. This bill would decrease the requirement to \$250,000. Second we're going to increase the capitol invested in a single investment from 20% to 25%.

Chairman Berg: Why lower the amount and increase the investment?

Rep Glassheim: To make it easier to start a small venture fund.

Chairman Berg: We'll close the hearing on HB 1042.

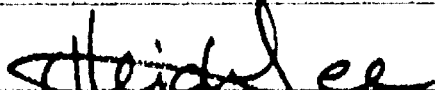
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1042(B)

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Feb. 6, 2001

Tape Number	Side A	Side B	Meter #
3	X		37.9-45.5
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 does two things. It forms venture capitol companies and it says 25% can invest in venture capitol. The problem is money.

Vice-Chairman Keiser: I move a do pass.

Rep M. Klein: I second.

13 yea, 0 nay, 2 absent Carrier Rep Keiser

FISCAL NOTE
 Requested by Legislative Council
 12/14/2000

Bill/Resolution No.: HB 1042

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.*

There should be no direct fiscal impact to state and/or local political subdivisions.

The major amendments to section 10.30.1-04 seek to:

- (1) increase the percentage that a venture capital corporation or limited liability company can provide (of the stated capital) to any one qualified business entity (from twenty to twenty-five percent) and
- (2) lowers the requirements for formation of a venture capital corporation or limited liability company (from five hundred thousand to two hundred and fifty thousand dollars).

These changes should make it easier to form and raise venture capital with which to invest in firms.

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.*

It is impossible to judge the economic contribution to state and local revenues (from the potential additional business formation) that these amendments will have.

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.*

There are no obvious additional expenditures evident by the amendments to 10-30.1-04. Perhaps the ND Securities Commission could comment on also.

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.*

There are no additional appropriations that seem needed by the amendments to 10-30.1-04. Perhaps the ND Securities Commission could comment on also.

Name:	Randy Schwartz	Agency:	ND Dept of Economic Development & Finance
Phone Number:	701-328-5314	Date Prepared:	01/08/2001

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.~~ 1042

House Industry, Business and Labor Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Keiser Seconded By 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) 13 No 0

Absent 2

Floor Assignment Rep Keiser

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

REPORT OF STANDING COMMITTEE (410)
February 7, 2001 12:52 p.m.

Module No: HR-21-2587
Carrier: Keiser
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1042: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends DO PASS (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1042 was placed on the Sixth order on the calendar.

2001 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1042

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1042

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date February 28, 2001.

Tape Number	Side A	Side B	Meter #
1		x	38.1 to 45.5
2	x		21.6 to 23.4
Committee Clerk Signature <i>Nous & Poley</i>			

Minutes:

The meeting was called to order. All committee members, except Senator Tollefson, present .

Hearing was opened on HB 1042 relating to venture capital corporation incorporation.

Jennifer Clark, Legislative Council, to explain the bill. It allows venture capital corporations to invest a greater proportion of capital in one type of investment, it allows for less diversity in their portfolios. Subsections 5, 7 and 8 allow venture capital corporations to be smaller by decreasing the initial stated capital from half a million dollars to a quarter million.

Senator Krebsbach: Fiscal note says no additional appropriation seems needed. Any comments?

Senator Mathern: For information, Syver Vinje said that could be easily changed.

Senator Espgaard: What is the purpose to allow the companies to be less diverse?

J Clark: To allow smaller companies to invest more capital in one investment to have a more solid company.

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Senate Industry, Business and Labor Committee
Bill/Resolution Number HB 1042
Hearing Date February 28, 2001.

No opposing testimony. Hearing closed.

Tape 2-A-21.6 to 23.4

Discussion held. **Senator Espegard**: Motion: do pass. **Senator Krebsbach**: Second.

Roll call vote: 6 yes; 0 no; 1 absent, not voting. Floor assignment: **Senator Espegard**.

Date: Feb 28/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1042

Senate Industry, Business and Labor Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Sen Espgaard Seconded By Sen Krebsbach

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every	✓	
Senator Klein - Vice Chairman	✓		Senator Mathern	✓	
Senator Espgaard	✓				
Senator Krebsbach	✓				
Senator Tollefson	A				

Total (Yes) 6 No 0

Absent: 1

Floor Assignment Sen Espgaard

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

REPORT OF STANDING COMMITTEE (410)
February 28, 2001 1:08 p.m.

Module No: SR-34-4445
Carrier: Espegard
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1042: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends DO PASS (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1042 was placed on the Fourteenth order on the calendar.