

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

144/44

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1414


2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1414

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Feb., 6, 2001

Tape Number	Side A	Side B	Meter #
1		X	6-14,7
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.

Rep Riek Berg: Sponsoring bill to provide initial seed capital for a start up business. We can add in a sunset clause if it doesn't work out but since APUC is working so well, BPUC is the next step.

Vice-Chairman Keiser: What part of the start up would we fund?

Rep Berg: The initial idea, the inventor stage.

Rep Bill Pietsch: I support the bill. It's not to capitalize on business.

Rep Thorpe: Would this be spreading APUC too thinner.

Rep Pietsch: No, we're not going to share these funds.

Vice-Chair Keiser: Where should funding come from?

Rep Pietsch: ED & F.

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House Industry, Business and Labor Committee

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Rep Froseth: Would this attract private money's?

Rep Pletsch: APUC's first question is always how much have you put in.

Chairman Berg: We'll close the hearing on HB 1414.


2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1414(B)

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Feb. 13, 2001

Tape Number	Side A	Side B	Meter #
2		X	50.2-61.2
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.

Chairman Berg: Proposed and explained amendments to BPUC.

Rep Pietsch: I move the amendments.

Rep Johnson: I second.

Rep Severson: I move a do pass as amended with rerefferral to appropriations.

Rep Johnson: I second.

13 yea, 0 nay, 2 absent Carrier Rep Keiser

FISCAL NOTE

Requested by Legislative Council
02/16/2001

Bill/Resolution No.:

Amendment to: HB 1414

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			\$91,800		\$60,800	
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.*

The bill seeks to create a seed-financing fund similar to that disbursed by the Agricultural Products Utilization Commission (APUC). The ED&F director would assign the responsibilities and tasks described in this bill to either the APUC or the Development Fund board, which are both divisions of the department.

This fiscal impact statement assumes that the BPUC responsibilities would be assigned to the APUC and that the program would generate similar application volume.

The APUC currently has a single FTE and receives limited administrative and clerical assistance from the ED&F.

The fiscal effect is calculated based on three factors: 1) increased travel costs and per diem requirements for commission members to participate in granting hearings; 2) additional costs of contract or hired staff for administration of the fund, the applications and the grant awarded; and 3) startup cost including the propagation of rules, program design, application design, marketing and accounting.

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.*

The start-up businesses that receive assistance from this fund might eventually contribute to the increased tax collections, but it is impossible to estimate the level.

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.*

Travel costs: using current APUC application volume as the guide, the program might expect 16 to 22 grant applications per quarter. Assuming two-day quarterly hearings, the travel costs are estimated at \$6800, including the \$50 per diem authorized in the bill.

Additional contract or hired clerical help was calculated at \$27,000 per year. However, the APUC and ED&F have no additional FTE's available.

Program initiation cost including: legal, accounting, advertising, travel, marketing and planning costs were estimated at \$31,000.

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.*

The fiscal impact of this analysis assumes the continuation of the APUC with its appropriation as recommended in the executive budget. The request calls for a \$5 million appropriation with \$207,000 allocated for administration. The salary of the director is included in that administrative portion. The fiscal impact statement assumes that the director, though compensated by APUC, would oversee both programs.

If the APUC were to receive less appropriation for administration or if the BPUC is not managed with APUC, the fiscal cost of this program would be similar to APUC's administrative costs of \$207,000 plus the \$31,000 initiation costs.

Name:	Lance Gaebe	Agency:	ED & F
Phone Number:	328-5350	Date Prepared:	02/18/2001

FISCAL NOTE
 Requested by Legislative Council
 01/23/2001

Bill/Resolution No.: HB 1414

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	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

This bill seeks to establish a business products utilization commission with powers to

(1) apply for, accept and expend any appropriation, grant, gift or service made available from public or private sources and

(2) administer grant programs to assist entrepreneurs in research, development, testing and marketing.

This bill appears similar in structure to Agricultural Products Utilization Commission. However there has been no appropriation (for staff or funding).

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.*

Not possible to estimate.

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.*

Not possible to estimate.

Overall charge of program is broad...as written initial expenditures would likely reimburse Commission members for expense related to carrying out charge.

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.*

None provided by legislation.

Name:	Randy Schwarzl	Agency:	North Dakota Department of Economic Development & Finance
Phone Number:	701-328-5314	Date Prepared:	01/30/2001

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1414

Page 1, line 1, remove the first "and"

Page 1, line 3, after "commission" insert "; and to provide an appropriation"

Page 1, line 19, remove "- Composition -"

Page 1, line 20, remove "Appointment"

Page 1, line 22, replace "may" with "shall"

Page 1, line 23, remove "If the director does not assign the duties of the commission"

Page 1, remove line 24

Page 2, remove lines 1 through 8

Page 2, line 19, remove "- Personnel"

Page 2, line 22, remove "secure office space, employ"

Page 2, remove line 23

Page 2, line 24, remove "appropriated to the commission, and"

Page 2, line 26, remove "- Administrative expenses"

Page 2, line 30, remove "The commission chairman, if"

Page 2, remove line 31

Page 3, replace lines 1 and 2 with:

"SECTION 7. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$250,000, or so much of the sum as may be necessary, to the department of economic development and finance for the purpose of funding the business products utilization commission, for the biennium beginning July 1, 2001, and ending June 30, 2003."

Re-number accordingly

Date: 2-13-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1414

House Industry, Business and Labor Committee

Legislative Council Amendment Number 16589.0102 .0200

Action Taken Do Pass as Amended RR to Appropriations

Motion Made By _____ Seconded By _____

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

HB 1414: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE REREFERRED to the Appropriations Committee (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1414 was placed on the Sixth order on the calendar.

Page 1, line 1, remove the first "and"

Page 1, line 3, after "commission" insert "; and to provide an appropriation"

Page 1, line 19, remove "- Composition -"

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Renumber accordingly

2001 HOUSE APPROPRIATIONS

HB 1414

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1414

House Appropriations Committee

Conference Committee

Hearing Date February 19, 2001

Tape Number	Side A	Side B	Meter #
1		X	2722 - 4128
Committee Clerk Signature <i>L. J. Douche</i>			

Minutes:

HOUSE APPROPRIATIONS HEARING ON HB1414.

Rep. Berg: The genesis of this is that this committee spends a lot of time looking at expenses and we as a legislature need to focus a little bit on our revenue. There is no question that the revenue projections are not as rosy as they were six months ago and what we need to do is do things that will increase tax collections, so Mr. Chairman, what I have handed out here is what I perceive, let me back up. In economic development there is a lot of programs that don't do any good and there are a few programs that work, two of the programs that have worked have been the pace funding program and the apuc program. These programs are ones that the appropriations committee in 1991 when I served on the appropriations that we revamped those and I think they have been very effect the last ten years. The bill before you would take an existing program that's proven to work (apuc) and expand that program or create a program branch of that which would be (bpuc), the difference would be that (bpuc) would focus on businesses that are start ups

