

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION  
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1019

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*Dean G. Ball*  
Operator's Signature

10/30/03  
Date

2003 HOUSE APPROPRIATIONS  
HB 1019

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*Dennis M. Guller*  
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10/30/03  
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1019

House Appropriations Committee  
Government Operations Division

Conference Committee

Hearing Date January 13, 2003

Tape Number	Side A	Side B	Meter #
1	XX	XX	
2	XX	XX	
3	XX	XX	
Committee Clerk Signature <i>Kelly Schmidt</i>			

Minutes:

**Chairman Carlisle** called the committee to order at 8:30 am. Roll was taken, all committee members were present: Rep. Skarphol, Rep. Thoreson, Rep. Koppelman, Rep. Glassheim, Rep. Kroeber, Rep. Warner, Rep. Timm, and Vice-Chair Carlson.

**Lee Peterson, Commissioner of Commerce** shared his departments outlook on the next biennium, his written testimony is enclosed..

**Chairman Carlisle** made reference to a letter which was sent by House Majority Leader Rick Berg and Senate Majority Leader Bob Stenejem. The letter asked for 1) Purpose of Agency 2) Measure of Achievement 3) What the Legislature can do to help the department achieve there goal. 4) How can these acheivements be clearly communicated to the people of ND.

**Lee Peterson** responded his department just recently received the letter and will be sending their response by mid-week.

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*Deanna Hall*  
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**Linda Butts, Director of Economic Development, Dept. Of Commerce** shared the enclosed written testimony. A video was also presented which will be provided by the department.

**Mike Hohl, President of DMI Industries in West Fargo, ND** provided written testimony in favor of HB 1019 and the support his company has received from the Department of Commerce.

**Rep. Koppelman** asked what kind of balance can be found to help existing businesses and not just the new businesses coming into the state?

**Mike Hohl**, responded with reference to the MEP program, he couldn't identify a formula, but agreed a balance is needed.

**Rep. Koppelman** asked what roll MEP plays.

**Mike Hohl** responded the MEP program is partners with the training process.

**Rep. Warner** asked what the state can do in the advance training of the manufacturing sector.

**Mike Hohl** responded there has to be a stabilized market. The legislature was helpful 2 years ago to move this market along, however, a business will not relocate until a stable market is established because millions of dollars are necessary to relocate.

**Rep. Timm** asked if Mr. Hohl would have gotten into this business without the assistance of the state.

**Mike Hohl** responded we would not have gotten to this level without the assistance of the MEP program. The value of the training and the experience they brought was invaluable.

**Rep. Glasheim** asked if his company financing was received from the state.

**Mike Hohl** responded, It did not

**Chairman Carlisle** asked Mr. Hohl what incentives keep his company in North Dakota?

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**Mike Hohl** responded the work force is critical. A factory can be built anywhere, but getting the right employees is critical to a business.

**Rep. Skarphol** asked if his company has looked into relocating out of the state and if so what would be the reason.

**Mike Hohl** responded his only incentive to relocate would be the high cost of shipping and the proximity to his customer base. Minnesota has approached his company.

**Linda Butts** continued her written testimony

**Gary Saturn, Economic Development Director for Rugby, ND** shared his written testimony and a video in support of HB 1019.

**Linda Butts** continued her testimony see page B-4

**Keith Olson, CEO of Bushel 42, Crosby, ND** shared his testimony in support of the efforts of the Dept. Of Commerce.

**Brian Walters, President of the Fargo-Cass County Economic Dev. Corp.** Submitted his written testimony in support of the efforts of the Dept. Of Commerce.

**Linda Butts** continued her testimony see page B-5

**John Phillips, Director of the Beulah Jobs Development Authority** testified on behalf of HB 1019 and the efforts of the Dept. Of Commerce.

**Linda Butts** continued her testimony see page B-7

**Paul Govig, Director, Division of Community Services** shared his written testimony on behalf of the efforts of the Dept. Of Commerce.

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**Chairman Carlisle** announced a public hearing that would be held 1-13-03 on the community services block grant moneys. These grants are anticipated by the Dept. Of Commerce during the period 10-1-03 and ending 9-30-05.

**Don Longmuir, Souris Basin Planning Council in Minot, ND** shared written testimony on the community block grant program.

**Perry Lundon, North Dakota Community Action Association** shared written testimony regarding the 7 Community agencies and their roll in delivering the HOME program.

**Kim Christianson, Energy Program Manager** shared his written testimony regarding the Energy programs in the state. (Pg. C-2/C-3)

**Chairman Carlisle** asked what amount of the state's ethanol marketing will come from the Dept. Of Commerce budget.

**OMB** The Smart Growth Initiative will pull \$500,000 from special funds a result of the oil overcharge money and the Federal Court settlement of those over charges.

**Rep. Carlson** asked to see the total amount of what was spent on ethanol including any settlement funds from Oil/Gas

**Legislative Council** advised the committee that marketing money was not coming from the budget of the Dept. Of Commerce.

**Rep. Timm** asked if there was any program duplication with the Human Services programs

**Paul Govig** responded he wasn't aware of a duplication

**Perry Lundon** responded there has been an increase in the number of working poor seeking services. These individuals do not qualify for the Human Service Programs therefore these programs fill in the gaps.

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**Senator Thomas Trenbeath**, testified on behalf of HB 1019 and the efforts by the Dept. Of Commerce. In the Cavalier, ND area and they were challenged to maintain MotorCoach Industries, a bus manufacture. (See Remi-model, written testimony)

**Rep. Carlson** asked what programs were used for distribution in the Motorcoach project. What was the states exposure and/or security of the 8 - 10 million in accounts receivable.

**Senator Thomas Trenbeath** responded that \$500,000 was received in Federal training, \$500,000 in an EDA/loan and a \$600,000 local grant. Additional funds were made available from the Bank of North Dakota.

**Rich Gray, Manager Renaissance Zone Program**, shared testimony in support of HB 1019, see written testimony page C-5

**Rep. Glassheim** requested a breakdown of what the renaissance zone program costs the state.

**Rich Gray**, responded 5.1 million as seen on page C-5 of testimony.

**Chairman Carlisle** asked if anyone was present for the public hearing on the community service block grant.....there was no response.

**Sara Otte Coleman, New Director of the Division of Tourism** presented testimony in favor of HB 1019. She highlighted the up coming legendary campaign and the Lewis and Clark activities. See page E-1 of written testimony.

**Randy Hatzenbuhler, Exec. Director of the Theodore Roosevelt Medora Foundation** shared testimony in support of the Dept of Tourism's efforts.

**Diane Oster, owner, Missouri River Lodge, Statnton, ND** written testimony was distributed on her behalf in support of HB1019.

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