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Yolanda Rickford
Operator's Signature

10/16/03
Date

2003 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1423

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Yolanda Richard
Operator's Signature

10/16/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1423

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 2/04/03

Tape Number	Side A	Side B	Meter #
1	x		54.3-end
1		x	0.0-11.6
Committee Clerk Signature <i>Judith Hammer</i>			

Minutes: **Chairman Kelser** opened the hearing on HB 1423. **Rep. Froseth** introduced the bill

(See attached #1)

Rep. Ekstrom: Have you considered requiring an in-kind match? Or pro-bono contributions?

Rep. Froseth: Some utility companies have provided matching grant funds in the past.

Chairman Kelser suggested to change "shall" to "may" p. 2. line 11. Do we run a risk of funding a project that better judgment would decline?

Rep. Froseth: I'm okay with that change. The intent is to leave the final decision to the ED & F Board.

Lee Peterson, Department of Commerce, provided information and offered oral testimony regarding his concerns about this proposed legislation. Currently the Development Fund is operating as a revolving fund and doing very well. Grants would not revolve and therefore not replenish the loan fund.

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La Costa Rickford
Operator's Signature

10/16/03
Date

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House Industry, Business and Labor Committee
Bill/Resolution Number HB 1423
Hearing Date 2/4/03

Rep. Severson suggested that small municipalities be allowed to submitting a grant only every three years.

Chairman Keiser asked if Peterson was open towards considering this as a pilot program to test if it is a viable way to approach economic development for smaller towns.

Peterson: North Dakota has 370 communities with a population of 2500 or less in population.

Two projects recently needed feasibility moneys. They were agricultural projects so APUC could fund them. We need to identify funding sources to assist rural communities.

As there was no one else to testify in opposition to HB 1423, the hearing was closed.

Chairman Keiser called for committee work on HB 1423.

Rep. Severson suggested an amendment that would set up a pilot project for ten applicants and also require community participation. Expenditures from the fund would be limited to \$100,000 per year.

Rep. Zaiser stated that criteria ought to be more clearly defined.

Rep. Froseth stated concerns about limiting the number of grant applications per community as well as the requirement for matching funds from within the community. Small community businesses stretch their budgets to give back to their towns as is.

Rep. Ekstrom stated that she favors a first come, first served program. Is it possible to take a portion of a loan program and dedicate the interest bearing quality of that fund to a grant program? Let's limit the expenditure, not the number of projects.

Rep. Dosch suggested a limit of ten projects during the biennium and one project per community for this pilot program.

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House Industry, Business and Labor Committee

Bill/Resolution Number HB 1423

Hearing Date 2/4/03

Rep. Severson: The other issue, is there a chance to include a reporting mechanism from ED& F on applications received etc?

Rep. Froseth: The Rural Growth Incentive Program was established last session with matching funds requirement and nobody applied for it. I think there's a communication gap between ED & F to let smaller communities know what is available.

Rep. Zaiser will get language together so that Legislative Council can draft amendments for HB 1423 for committee action at a later date.

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Jo Costa Rickford
Operator's Signature

10/16/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1423

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 2/05/03

Tape Number	Side A	Side B	Meter #
2		x	10.6-19.5
Committee Clerk Signature <i>Judith Hammer</i>			

Minutes: **Chairman Keiser** called for committee work on HB 1423.

Rep. Froseth distributed new amendments and reviewed them for the committee. Obviously, section 3 which pertains to grants will stipulate that the grants will be matching funds. We met with Lee Peterson, Department of Commerce and he is comfortable with this. The sunset clause will take effect in two years.

Rep. Froseth moved to adopt the amendments. **Rep. Boe** seconded the motion.

A voice vote carried the motion to adopt the amendments.

Rep. Boe moved a Do Pass and Referral to Appropriations Committee.

Rep. Zaiser seconded the motion.

The roll call vote results were: 14-0-0.

Rep. Zaiser will carry this bill on the floor.

FISCAL NOTE
Requested by Legislative Council
02/10/2003

Amendment to: HB 1423

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.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 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.

2001-2003 Biennium			2003-2005 Biennium			2005-2007 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.

In so far as the development fund is operated under a continuing appropriation no additional spending authority will be necessary. If the maximum amount of \$100,000 is expended per biennium this will reduce the capitalization of the fund by a corresponding amount which in time may affect the viability of the fund.

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:	Dean Reese	Agency:	Dept. of Commerce
Phone Number:	328-5334	Date Prepared:	02/11/2003

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La Costa Rickford
Operator's Signature

10/16/03
Date

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FISCAL NOTE
Requested by Legislative Council
01/21/2003

Bill/Resolution No.: HB 1423

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.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 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.

2001-2003 Biennium			2003-2005 Biennium			2005-2007 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.

No fiscal impact is expected.

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:	Paul Govig	Agency:	Dept. of Commerce
Phone Number:	328-4499	Date Prepared:	01/23/2003

LoCoeta Rickford 10/16/03
Operator's Signature Date

30698.0101
Title.0200

Prepared by the Legislative Council staff for
Representative Froseth
February 5, 2003

VR
2/6/03

HOUSE AMENDMENTS TO HOUSE BILL NO. 1423 IBL 2-06-03

Page 1, line 2, after "commerce" insert "; and to provide an expiration date"

HOUSE AMENDMENTS TO HB 1423 IBL 2-06-03

Page 2, line 10, after the underscored period insert "The department shall designate an applicant city as a rural growth incentive city eligible for a grant if the city raises funds in the amount of a dollar-for-dollar match for the amount requested in the grant application and meets any additional program requirements provided by rule. The source of city funds used for grant matching funds may be any combination of public and private funds."

Page 2, line 17, after the underscored period insert "Total grants awarded by the department under this subsection may not exceed one hundred thousand dollars per biennium."

Page 2, after line 22, insert:

"SECTION 2. EXPIRATION DATE. This Act is effective through July 31, 2005, and after that date is ineffective."

Renumber accordingly

Jo Costa Rickford
Operator's Signature

10/6/03
Date

