MICROFILM DIVIDER

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

ROLL NUMBER

DESCRIPTION

1504

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

LaCosta Richmond 10/16/03
Operator's Signature Date

2003 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1504

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

LaCosta Rickford 10/16/03

Operator's Signature Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1504

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date February 26, 2003

Tape Number	Side A	Side B	Meter #
2		x	32.9-end
3	x		0.0-12.5
Committee Clerk Signature	Judith Hammer		

Minutes: **Chairman Keiser** opened the hearing on HB 1504.

Rep. Rick Berg, introduced HB 1504. He stated that "There is an appropriations on here so that's another issue that will have to be looked at". The essence of this bill is how do we create jobs and stimulate and strengthen our economy. There's a lot of political rhetoric and different ways in doing things and we need a program. The fundamental thing is, if we have a strong business climate, one of the best in the country, then every business, regardless of what type of business it is will be successful. We won't have to fear businesses leaving for states with a better tax or business climate. Likewise, if we have the best business climate possible, we'll attract businesses to our state that can take advantage of our experienced and well educated workforce, the capital and resources of our state. I have copies of the Small Business Survival Index 2002 for you. **(See attached)** North Dakota is ranked 35 out of 50 states according to this index.

The intent of this legislation is to create a business congress to operate during the interim. This business congress would be charged with three specific things:

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

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

1. Examine business climate indicators. Try and set those that apply to North Dakota, specific and measurable and something that we can track. Establish a business climate index.
2. Jobs are created in three ways: existing primary business expansion, start ups, and the attraction of out-of-state businesses to relocate here. Examine existing programs, determine which are providing impact, which ones are not and seek out those that have not yet been utilized.
3. Active businesses will be invited to participate by providing statistical and anecdotal input and dialogue (How can the state help them grow? What should the state stop doing that is a barrier to business growth?) Get input from private sector businesses that are experiencing growth in ND.

At the end of the interim, the business congress, composed of legislators and private sector businesses will have determined and drawn conclusions that will be helpful at the next legislative session.

A second premise of this bill is to partner up with the reservations. They have special abilities whereby they can bid on federal project contracts and become sole source suppliers for those products. The opportunity is that reservation businesses could put in the bids and utilize businesses off the reservations to supply fulfillment. This would link federal contracts with human resources around the state.

Rep. Johnson: Is this similar to the higher education roundtable? Can we look to having some sort of congress for the tax structure in the state too?

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

LaCosta Richard 10/10/03
Operator's Signature Date

Rep. Berg: That's a good comparison. Some people are sensitive to the word roundtable, that's why we're calling this a congress. This is an interim committee, it has a start and stop date, not an ongoing group or organization. In response to your second question, we'll see how this congress works!

Rep. Thorpe: Don't we have faith in our newly formed Department of Commerce to work in these arenas? Isn't this duplicating what the Department of Commerce is mandated to do?

Rep. Berg: This Business Congress would meet around the state to get direct input from the local businesses. It would not duplicate but tie on efforts that have been done and focus primarily on existing businesses.

Rep. Ekstrom: How will this dovetail with Workforce Development, the Dept. of Commerce, Job Service, etc? Who will crunch the numbers, manipulate all the data for these studies? Will consultants be hired to manage that? We've seen the compartmentalization of resources, certain types of economic development activities, loans, grants, programs. Do you see us consolidating and folding these things together, eliminating some, any thoughts of that?

Rep. Berg: This will lay out a road map for the Legislature. There are five chartered industries signaled out for attention: advanced manufacturing, information technology, energy, tourism and value added agriculture. What do we need to do to bolster these? The Legislative Council will staff this although we have considered hiring a consultant. We hope this will bring focus to what the need is. If we lack employees for certain industries, it may not mean that we need to recreate or change everything to fulfill that need. Your last question outlines my frustration. There are about 15 things on the books that are tax credits, designed for economic development that

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

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

haven't been used. There are so many programs all spread out. Hopefully that would be the charge of the congress, to consolidate and roll together those things that are strong, like PACE. The Department of Commerce is charged with accomplishing so many things. What we want them to do are recruit new companies to the state.

Rep. Kasper: What response or reaction have you gotten from the Indian tribes?

Rep. Berg: A very positive response. They've come to Senator Stenehjem and myself to talk about these opportunities I mentioned earlier. They are excited about being at the table to discuss business partnerships.

Chairman Keiser: I just spent crossover at an ENCOIL meeting and they were amazed at what we've done with Workers' Compensation and at our positive relationship with Labor, with the our low premiums, our highest benefit packages for injured workers. With the action that's happened during this legislative session, we'll rise dramatically above 37th of 50. Regarding the policy issue, the legislature plays that roll, we do set policy on issues that create an environment that is favorable for companies who are looking at expanding. What we've done will be shared with legislators across the country. Where is the Commerce Dept? The Commerce Dept. is a policy issue. We created it and we direct it. This is scoring us, not the Commerce Dept. If we bring those who create jobs to the table and into play. In the past, we've been asking the same people for their input. The real entrepreneurs are too busy to volunteer to attend process meetings. For local examples, Kadrmas, Lee & Jackson and Cross Country Courier. We have a lot of options. But if we do nothing, we stay where we are. Take risks and try something new!

Rep. Kasper: In line 11 & 12, would you want to consider adding representatives from the North Dakota Indian Tribes as participants in this Business Congress?

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

LaCosta Rickford 10/6/03
Operator's Signature Date

Rep. Berg: This is, my thought was to identify them as a group. I certainly expect them to be part of this. But I want them viewed not as a separate business entity, but representatives of primary sector business. The way this is worded, it must include businesses, economic developers, executive branch. No disrespect, but can't we go directly to the existing businesses for their input?

Rep. Thorpe: I don't know if this fits into your vision, but could that group of young people, mostly NDSU affiliates, from the *Saving North Dakota* program, would you consider their input? Could they be brought to the table? That group has abilities and positive thoughts that could do the state a lot of good. I get the feeling that unless we make sure to include them, they'll think we as legislators are talking the talk but not walking the walk.

Rep. Berg: *Saving North Dakota* brought a lot of strong feelings from youth that are faced with leaving. Youth want career jobs. The focus of this is to create those career jobs. I do expect them to be part of this. They are not spelled out here specifically, though.

Chairman Keiser: The only group that has to be included is the primary sector group. The rest are optional. Leaving it optional creates flexibility so that other players can be invited in. The minute we start identifying groups, we'll be in trouble. Keeping it simple is our best bet.

As there was no one present who wished to testify in opposition to HB 1504, **Chairman Keiser** closed the hearing.

Rep. Kasper moved a **Do Pass** with a recommendation that, considering the $200,000 price tag, HB 1504 be **Referred to the Appropriations Committee.**

Rep. Tieman seconded the motion.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

LaCosta Rickford 10/6/03
Operator's Signature Date

Rep. Ruby voiced his support for HB 1504. He's already been contacted by a constituent experienced in government contracts who is enthused about the possibilities of contracting through the reservations.

Results of the roll call vote were **12-0-2.**

Rep. Tieman will carry this on the floor.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

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

Date: 2/26/03
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1504

House **Industry, Business & Labor** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Do Pass / Rereferred to Appr.

Motion Made By ~~Kasper~~ Seconded By Tieman

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	✓		Rep.Boe	✓	
Rep.Severson, Vice-Chair	✓		Rep.Ekstrom	✓	
Rep.Dosch	✓		Rep.Thorpe	✓	
Rep. Froseth	✓		Rep. Zaiser		
Rep. Johnson	✓				
Rep.Kasper	✓				
Rep. Klein	✓				
Rep. Nottlestad	✓				
Rep. Ruby	✓				
Rep.Tieman	✓				

Total (Yes) 12 No 0

Absent 2

Floor Assignment Tieman

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

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

LaCosta Rickford 10/6/03
Operator's Signature Date

REPORT OF STANDING COMMITTEE (410)
February 27, 2003 11:16 a.m.

Module No: HR-35-3566
Carrier: Tieman
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1504: Industry, Business and Labor Committee (Rep. Keiser, Chairman) recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1504 was placed on the Eleventh order on the calendar.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

LaCosta Rickford 10/6/03
Operator's Signature Date

2003 HOUSE APPROPRIATIONS

HB 1504

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

LaCosta Rickford 10/6/03
Operator's Signature Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1504

House Appropriations Committee

☐ Conference Committee

Hearing Date 03-25-03

Tape Number	Side A	Side B	Meter #
1	X		0.0 - 25.0
Committee Clerk Signature	Chris S Nyhus		

Minutes:

Chairman Svedjan Opens HB 1504 for discussion. A quorum was present.

Rep. Rick Berg, House Majority Leader Gave overview of the bill. We want to work with the tribes on this study.

Rep. Carlisle Section 11 of the Commerce Bill, we did partner with the tribes. Why do we need the bill?

Rep. Berg So the tribes can be a sub-source bidder, this helps with the business infrastructure.

Rep. Aarsvold Many independent groups already assess states. How about the New Economic Initiative? How do they relate?

Rep. Berg We need to create targetable measures to increase industry in the state. Your 2nd question's problem is that the legislators aren't involved in the NEI process. The NEI supports this.

Rep. Aarsvold This isn't duplicative?

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

LaCosta Rickford 10/6/03
Operator's Signature Date

Rep. Berg This is a 2-year program.

Rep. Timm Can we spend the $200,000? Why do we need $200,000? Whenever we've hired consultants in the past, we got money form LC for it based on what they thought we'd need.

Rep. Berg That may be an appropriate way to do this. No matter how this plays out, we'll need the money.

Rep. Kaiser In Committee we've killed bills addressing problems this will deal with. This is not duplicative, but it is cooperation. We need to involve the entrepreneurs in this.

Rep. Martinson If we vote for this, then we are saying the Commerce Department is a failure and should we take this $200,000 from the their budget?

Rep. Kaiser They aren't a failure, we approach this as a partnership.

Kurt Leuger, Executive Director of the North Dakota Indian Gaming Commission - in support of the bill- Tribes see this as a futuristic thing. We know money is tough, but our tribal committees need to use our relationship with the federal government legitimately. We'll attach ourselves to this. We can bring things to the table regarding the $200,000.

Rep. Gulleson The Commerce Department, do you feel they have reached a hand out to the tribes? Have they worked close with you?

Leuger Since the Department is relatively new and the fact that the tribes and state programs have had a history of not communicating very well, I don't have the data to say anything. I would say that on the bill in front of us, I'll take that to heart and find out. We need more small business entrepreneurs, we have less out migration than the rest of ND. Something is there. A sad fact is that the unemployment in ND is 3.2 %, but on the Standing Rock Reservation it is

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

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

76%. In 2002, due to the support of the legislature and members of this committee it has been cut down to about 42%. We have a long way to go to get to 3, but we have done a lot.

Rep. Warnke I move a Do Pass. 2nd by Rep. Brusegaard.

Motion Carries 17-5-1. Rep. Tieman will carry this bill on the floor.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

LaCosta Rickford 10/6/03
Operator's Signature Date

REPORT OF STANDING COMMITTEE (410)
March 27, 2003 3:23 p.m.

Module No: HR-55-5965
Carrier: Tieman
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1504: Appropriations Committee (Rep. Svedjan, Chairman) recommends **DO PASS** (17 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). HB 1504 was placed on the Eleventh order on the calendar.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

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

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1504

[ouse Appropriations Committee

] Conference Committee

[earing Date 04-01-03

Tape Number	Side A	Side B	Meter #
X		X	30.0 - end

Committee Clerk Signature Chris S

/inutes:

Rep. Brusegaard I move to reconsider our actions on HB 1504. 2nd by Rep. Warner.

/lotion Passes.

Rep. Brusegaard I move amendment .0201 to HB 1504. 2nd.

/lotion Carries.

Rep. Brusegaard I move a Do Pass As Amended. 2nd by Rep. Warner. Motion Carries

19-0-4. Rep. Brusegaard will carry this bill on the floor.

'ographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and .med in the regular course of business. The photographic process meets standards of the American National Standards Institute for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the : being filmed.

Operator's Signature

10-9-03
Date

30786.0201
Title.0300

Prepared by the Legislative Council staff for
Representative Berg
April 1, 2003

House Amendments to HB 1504 - Appropriations Committee 04/01/2003

Page 1, line 9, after "state" insert ", with a focus on business opportunities that may be available to North Dakota Indian tribes through the United States small business administration 8(a) business development program"

Page 1, line 13, remove the second "shall"

Page 1, line 16, remove "As determined"

Page 1, remove lines 17 and 18

Page 1, line 19, remove "provided."

Page 1, line 23, replace "$200,000" with "$25,000"

House Amendments to HB 1504 - Appropriations Committee 04/01/2003

Page 2, line 1, replace "contracting with a consultant to assist in" with "conducting"

Renumber accordingly

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

LaCosta Richard 10/6/03
Operator's Signature Date

REPORT OF STANDING COMMITTEE (410)
April 1, 2003 4:44 p.m.

Module No: HR-58-6418
Carrier: Brusegaard
Insert LC: 30786.0201 Title: .0300

REPORT OF STANDING COMMITTEE

HB 1504: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (19 YEAS, 0 NAYS, 4 ABSENT AND NOT VOTING). HB 1504 was placed on the Sixth order on the calendar.

Page 1, line 9, after "state" insert ", with a focus on business opportunities that may be available to North Dakota Indian tribes through the United States small business administration 8(a) business development program"

Page 1, line 13, remove the second "shall"

Page 1, line 16, remove "As determined"

Page 1, remove lines 17 and 18

Page 1, line 19, remove "provided."

Page 1, line 23, replace "$200,000" with "$25,000"

Page 2, line 1, replace "contracting with a consultant to assist in" with "conducting"

Renumber accordingly

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

LaCosta Richard 10/6/03
Operator's Signature Date

2003 SENATE APPROPRIATIONS

HB 1504

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

LaCosta Richford 10/6/03
Operator's Signature Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1504 & Vote

Senate Appropriations Committee

☐ Conference Committee

Hearing Date 4-8-03

Tape Number	Side A	Side B	Meter #
1	X		3,200-4800

Committee Clerk Signature

Minutes:

Senator Holmberg opened the hearing on HB1504. This bill provides for a legislative council study of the state's business climate. All committee members are present.

Representative Rick Berg (mtr #3247) - Introduced the bill and explained its intent. Addresses several things, is an interim group that will be made up of legislators as well as private sector. First objective will be t. identify the business climate in ND. Cited several national studies and statistics with ND's rankings. Key to establish a business climate index that will measure those things that create stable job and business growth. Want to target key industries.

Second objective, develop a relationship with the tribes in ND. Have the unique ability to do a lot of work with the Federal Government.

Third objective, to focus on stimulating ND's economy and curb out-migration. Boils down to job growth. Three ways to create jobs in ND, one is an existing primary sector business grows, second is attract primary sector business to ND, or third is to have a new start up.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

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

Senator Mathern (mtr #3737) - Question on the number of members sitting on the panel that will from outside of the legislature.

Representative Berg (mtr #3760) - Unknown, is vague at this point. Depends on the interest in the private sector.

Senator Mathern (mtr #3802) - Where in the bill does it state that legislators will be on this congress.

Representative Berg (mtr #3812) - It is a Legislative Council study. Implies that the study would include legislators.

Senator Tallackson (mtr #3922) - Appears to be patterned after a "Round Table" from higher education.

Representative Berg (mtr #3942) - Yes, is an example of a lot of ideas coming together. Is a good analogy.

Senator Tallackson (mtr #3980) - Question regarding the funding, what will it be used for? Travel?

Representative Berg (mtr #3995) - Funds appropriated to carry out studies. If costs are associated, rather than take funds from pool, thought study should have it's own funding. Does not have a specific list of what the funds will be used for.

Senator Thane (mtr #4080) - Regarding the tribes, will there be someone selected from the tribes to be part of this congress?

Representative Berg (mtr #4128) - Tribes not spelled out in hear, want people to look at the tribes as they do all other businessmen. Didn't want to specify tribes as something different, view as one and the same.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

LaCosta Rickford
Operator's Signature

10/16/03
Date

Senator Grindberg (mtr #4208) - Question regarding GNDA's role in this report.

Representative Berg (mtr #4229) - Feels a lot of people could do this, but feels this is the number one issue facing the state and should be dealt with directly by the legislature.

Senator Krauter (mtr #4394) - Supports the concept. Does not know of any GNDA members on the reservation. Feels this is a good push for tribes. Any documentation of support from the tribes? Would they be interested in this study? What triggers their involvement?

Representative Berg (mtr #4581) - Job growth is a critical issue facing reservations. Feels they have been involved in this legislation. Seems to be a lot of support.

Senator Holmberg - Closed the hearing on HB1504.

Senator Tallackson moves a Do Pass. Second by Senator Thane.

Roll call vote 14 yea, 0 nay, 0 absent. Carrier is Senator Christmann

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

LaCosta Richard 10/16/03
Operator's Signature Date

Date: 4-8-03
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1504

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Tallackson Seconded By Thane

Senators	Yes	No	Senators	Yes	No
Senator Holmberg, Chairman	✓				
Senator Bowman, Vice Chair	✓				
Senator Grindberg, Vice Chair	✓				
Senator Andrist	✓				
Senator Christmann	✓				
Senator Kilzer	✓				
Senator Krauter	✓				
Senator Kringstad	✓				
Senator Lindaas	✓				
Senator Mathern	✓				
Senator Robinson	✓				
Senator Schobinger	✓				
Senator Tallackson	✓				
Senator Thane	✓				

Total (Yes) 14 No _____

Absent 0

Floor Assignment Christmann

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

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

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

REPORT OF STANDING COMMITTEE (410)
April 8, 2003 11:17 a.m.

Module No: SR-63-7082
Carrier: Christmann
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1504, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1504 was placed on the Fourteenth order on the calendar.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

LaCosta Richtrad
Operator's Signature

10/6/03
Date

2003 TESTIMONY

HB 1504

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

LaCosta Rickford 10/6/03
Operator's Signature Date

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

Date

HB 150

Small Business SURVIVAL Committee

REVISED & EXPANDED

SMALL BUSINESS SURVIVAL COMMITTEE'S

SEVENTH ANNUAL

SMALL BUSINESS SURVIVAL INDEX 2002:

RANKING THE POLICY ENVIRONMENT FOR ENTREPRENEURSHIP ACROSS THE NATION

by Raymond J. Keating
Chief Economist
Small Business Survival Committee
and
Co-author of
U.S. by the Numbers: Figuring What's Left, Right, and Wrong with America State by State

July 2002

Small Business Survival Committee
1920 L Street • Suite 200 • Washington, D.C. 20036
Telephone: 202-785-0238 • Fax: 202-822-8118
Website: www.sbsc.org

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

Date

Small Business Survival Index: State Rankings

Rank	State	SBSI Score
1	South Dakota	21.080
2	Nevada	23.270
3	Wyoming	27.640
4	Texas	29.730
5	Florida	30.110
6	New Hampshire	31.010
7	Tennessee	31.090
8	Washington	31.340
9	Mississippi	33.630
10	Alabama	33.775
11	Michigan	33.950
12	Colorado	36.680
13	Illinois	36.820
14	Virginia	37.400
15	Indiana	37.690
16	South Carolina	38.750
17	Pennsylvania	38.800
18	Louisiana	39.044
19	Missouri	39.196
20	Arizona	39.740
21	Alaska	40.360
22	Georgia	40.970
23	Delaware	41.070
24	Arkansas	41.610
25	Maryland	41.720
26	Oklahoma	42.660
27	Utah	43.239
28	Idaho	43.510
29	Kentucky	43.520
30	Massachusetts	43.770
31	Wisconsin	44.100
32	Kansas	45.810
33	Connecticut	46.280
34	Nebraska	46.350
35	North Dakota	47.025
36	Oregon	47.550
37	North Carolina	47.990
38	Montana	47.994
39	New Jersey	48.310
40	Ohio	49.060
41	West Virginia	49.230
42	Vermont	49.454
43	New York	49.955
44	Iowa	50.358
45	Rhode Island	50.730
46	California	52.250
47	New Mexico	52.440
48	Minnesota	53.610
49	Maine	53.810
50	Hawaii	54.720
51	District of Columbia	60.115

The microgrophic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

10/16/03
Date

Introduction

Entrepreneurs and small businesses are critical to the economic well being of each state and the nation as a whole. Consider the following list recently published by the Small Business Survival Committee (SBSC).

The Top 10 Benefits from Small Business

10. Small businesses (firms with fewer than 500 employees) account for more than 99% of all employers.

9. Small business ownership has been accelerating among women and minorities. Minority-owned firms (excluding C Corporations) accounted for 6.8% of businesses in 1982, and grew to 14.6% in 1997. Meanwhile, women comprised 22% of self-employed individuals in 1976, growing to 38% in 2000.

8. Small businesses accounted for 96.5% of all U.S. exporters in 1998.

7. Small businesses accounted for nearly 98% of the growth in the number of U.S. exporters between 1992 and 1998.

6. Small businesses account for 47% of sales in the nation.

5. Small businesses generate 51% of all U.S. private-sector output.

4. Small businesses produce 55% of innovations.

3. Small businesses produce twice as many product innovations and significant innovations as large firms, and obtain more patents per sales dollar than large business.

2. Small businesses employ 51% of private-sector workers.

1. Small businesses create the bulk of new jobs, on average, accounting for 75% of net job creation each year.

Information/Data Sources: U.S. Small Business Administration and www.tpa.gov.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

10/16/03
Date

If you simply listen to the rhetoric of politicians, the importance of small business is an accepted bipartisan truth in the political and policy worlds. Unfortunately, the political and policy realities regularly fail to line up with pro-small-business political rhetoric. Too often, elected officials at the federal, state and local levels impose burdensome costs on the entrepreneurial sector of our economy. That translates into less innovation, slower economic growth and fewer jobs being created.

Indeed, given the importance of small business, it makes sense to consider the impact of governmental policies on entrepreneurship. While America certainly can claim a robust spirit of entrepreneurship, misguided public policy no doubt can dampen and often misdirect such efforts. And not only do federal government policies affect small businesses, but states and localities certainly do as well. The Small Business Survival Index ranks the 50 states and District of Columbia according to some of the major government-imposed or related costs affecting investment, entrepreneurship, and business.

This seventh annual Small Business Survival Index ties together 20 major government-imposed or government-related costs impacting small businesses and entrepreneurs across a broad spectrum of industries and types of businesses:

• **Personal Income Tax.** State personal income tax rates influence individual economic decision-making. A high personal income tax rate raises the costs of working, saving, investing, and risk taking. Personal income tax rates vary among states, therefore impacting crucial economic decisions and activities. In fact, the personal income tax affects business far more than generally assumed because roughly 90 percent of businesses file taxes as individuals (e.g., sole proprietorship, partnerships and S-Corps.), and therefore pay personal income taxes rather than corporate income taxes.

• **Capital Gains Tax.** State capital gains taxes are direct levies on investment and entrepreneurship—the sources of growth in the economy. High capital gains taxes restrict access to capital, and either dampen or redirect risk taking.

• **Corporate Income Tax.** State corporate income tax rates affect a broad range of business decisions—most clearly decisions relating to investment and location.

• **Individual Alternative Minimum Tax.** The individual alternative minimum tax (AMT) imposes a minimum tax rate that must be paid by individuals, regardless the tax credits or deductions taken. The AMT diminishes the effectiveness of potentially positive, pro-growth tax relief measures.

• **Corporate Alternative Minimum Tax.** The corporate alternative minimum tax (AMT) imposes a minimum tax rate that must be paid by corporations, regardless of the available tax credits or deductions. Again, the AMT diminishes the effectiveness of potentially positive, pro-growth tax relief measures.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

12/16/03
Date

• **Indexing Personal Income Tax Rates.** Indexing income tax rates for inflation is a positive tax measure, which ensures that inflation does not push individuals into higher tax brackets. Without such indexation, one can be pushed into a higher tax bracket without any increases in real income.

• **Property Taxes.** Property taxes influence where businesses and entrepreneurs choose to locate, as well as decisions relating to investments in business facilities and homes.

• **Sales, Gross Receipts and Excise Taxes.** State and local sales, gross receipts and excise taxes impact the economic decisions of individuals and families, as well as various businesses. High consumption-based taxes, especially if combined with other taxes like income and property levies, can serve as real disincentives to productive economic activity.

• **Death Taxes.** The federal government allows for a credit to be taken for state estate taxes against federal estate taxes. However, this credit is limited and a few states levy death taxes that reach beyond the federal credit. Death taxes amount to nothing more than a government hostile takeover at death. Individuals pay taxes on business earnings over a lifetime, but then are socked with another tax on the total assets of the firm at the time of an owner's death. High state death taxes create a clear incentive to move business ventures to less taxing climates; foster wasteful expenditures on tax avoidance, estate planning and insurance; and force many businesses to be sold, borrowed against or closed down. In the end, death taxes hurt entrepreneurship, job creation and economic growth.

• **Unemployment Tax Rates.** The unemployment tax on wages is another burden on entrepreneurs and business. High state unemployment tax rates increase the relative cost of labor versus capital, and provide incentives for labor-intensive businesses to flee from high-tax states to low-tax states.

• **Health Care Costs.** Health insurance represents a significant cost for businesses. Taxes and regulations increase health care costs, raise the cost of insurance, increase the number of uninsured, and act as another disincentive to starting up or locating a business in a high-cost state.

• **Electricity Costs.** Obviously, every business uses electricity, and for some, electricity costs are the second or third largest expense after labor. High electricity rates due to hefty taxes and heavy-handed, misguided regulations can play a significant part in business decision-making.

• **Workers' Compensation Costs.** High workers' compensation rates impact the economy in much the same way as high unemployment tax rates. The cost of labor relative to capital is increased, and incentives for labor-intensive businesses to flee are clear.

• **Total Crime Rate.** Just like taxes, a high crime rate acts as a disincentive to entrepreneurs. If government is unable to adequately protect life, limb, and property—the basic duty of any government—then entrepreneurs and businesses will flee to safer environments.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

10/16/03
Date

• **Right to Work.** A right-to-work state is one in which employees generally are not forced to become labor union members or pay dues to unions. Such worker protections offer a more dynamic, flexible workforce in the state, which translates into an amenable environment for increased productivity and improved efficiency.

• **Number of Bureaucrats.** Governmental costs come in many forms, such as taxes, mandates, fees and regulations. Unfortunately, regulatory costs are difficult to assess in a uniform, comparative measure from state to state. One rough proxy for regulations can be the number of state and local government employees—or bureaucrats. After all, with regulations, rules, and mandates come regulators, i.e., those dreaming up, writing, passing, monitoring and enforcing such measures. Obviously, regulators and regulations raise the costs of doing business. A large number of government employees also means that a significant share of individuals are performing far less productive work than if they were in the private sector.

• **Tax Limitation States.** Requiring supermajority votes, whether for elected officials or voters in general, in order to increase or impose taxes, serves as solid checks on the growth of taxes and government in general. According to Americans for Tax Reform, both taxes and spending do in fact grow more slowly in supermajority states, and economies expand faster in such states.

• **Internet Taxes.** The Internet serves as a tremendous boost to economic growth and a great expansion of economic opportunity. For small businesses, the Internet allows for greater access to information and markets. Indeed, the Internet gives smaller enterprises access to global markets that they might not have had in the past. Unfortunately, some states have chosen to impose sales taxes on Internet access.

• **Gas Tax.** Every business is affected by the costs of operating motor vehicles--from trucking firms to the home-based business paying for delivery services. State government impacts these costs through taxes on motor fuels.

• **State Minimum Wage.** In the end, the minimum wage raises costs for businesses—particularly harming smaller firms—while also hurting young, low-skilled, low-income workers by too often denying them the work experience necessary to climb the ladder of economic opportunity. Some states actually impose a state minimum wage that is higher than the federal minimum wage.

These measures are simply added together (for example, as was the case with the old "misery index") into one index number—the Small Business Survival Index. Obviously, other costs are imposed on entrepreneurs and businesses at the state and local levels. Still, the Small Business Survival Index manages to capture much of the governmental burdens impacting critical economic decisions—particularly affecting investment and entrepreneurship—state by state.

Under the Small Business Survival Index, the lower the index number, the lighter the governmental burden [redacted] the better the environment for entrepreneurship. The following indicators are added together to arrive at the Small Business Survival Index number:

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

10/16/03
Date

- state's top personal income tax rate,
- state's top capital gains tax rate on individuals,
- state's top corporate income tax rate,
- state individual alternative minimum tax (states imposing an individual AMT receive a score of "1" and states that do not receive a score of "0"),
- state corporate alternative minimum tax (states imposing a corporate AMT receive a score of "1" and states that do not receive a score of "0"),
- state indexing of personal income tax rates (states indexing their personal income tax rates receive a score of "0" and states that do not receive a score of "1"),
- state and local property taxes (property taxes as a share of personal income),
- state and local sales, gross receipts and excise taxes (sales, gross receipts and excise taxes [less revenues from gas taxes, since gas tax rates are singled out in the Index] as a share of personal income),
- state death taxes (states levying estate, inheritance and/or gift taxes beyond the federal pick-up tax receive a score of "1" and states that do not receive a score of "0"),
- unemployment tax rate as estimated by taking the maximum tax rate and applying it to state average annual pay,
- state's health care cost index (per capita personal health care spending relative to the U.S. average),
- index of state's average revenue per kilowatthour for electricity utilities,
- state workers' compensation costs (benefits as a share of covered wages),
- state's crime rate per 100 residents,
- right-to-work status (non-right-to-work states receive a score of "1," while right-to-work states receive a score of "0"),
- state and local government bureaucrats (full-time equivalent employees per 100 residents),
- tax limitation status (states without some form of supermajority tax limitation receive a score of "1," and states with some supermajority tax limitation receive a score of "0"),
- Internet access tax (states without such a sales access tax score "0," and states with such taxes score "1"),
- state gas tax (cents per gallon),
- state minimum wage minus the federal minimum wage,

The Small Business Survival Index provides a measure by which states can be compared according to how the state and local governments treat small business and entrepreneurs. In essence, it is a comparative measure of economic incentives: the lower the Small Business Survival Index number, the greater the incentives to invest and take risks in that particular state.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

Date

State Rankings and Summary of Findings

Following are the state rankings for the Small Business Survival Index 2002:

Small Business Survival Index: State Rankings

Rank	State	SBSI Score
[redacted]	[redacted]	21.080
2	Nevada	23.270
3	Wyoming	27.640
4	Texas	29.730
5	Florida	30.110
6	New Hampshire	31.010
7	Tennessee	31.090
8	Washington	31.340
9	Mississippi	33.630
10	Alabama	33.775
11	Michigan	33.950
12	Colorado	36.680
13	Illinois	36.820
14	Virginia	37.400
15	Indiana	37.690
16	South Carolina	38.750
17	Pennsylvania	38.800
18	Louisiana	39.044
19	Missouri	39.196
20	Arizona	39.740
21	Alaska	40.360
22	Georgia	40.970
23	Delaware	41.070
24	Arkansas	41.610
25	Maryland	41.720
26	Oklahoma	42.660
27	Utah	43.239
28	Idaho	43.510
29	Kentucky	43.520
30	Massachusetts	43.770
31	Wisconsin	44.100
32	Kansas	45.810
33	Connecticut	46.280
34	Nebraska	46.350
35	North Dakota	47.025*
36	Oregon	47.550
37	North Carolina	47.990
[redacted]	[redacted]	[redacted]
39	New Jersey	48.310
40	Ohio	49.060
41	West Virginia	49.230
42	Vermont	49.454
43	New York	49.955
44	Iowa	50.358
45	Rhode Island	50.730
46	California	52.250
47	New Mexico	52.440
[redacted]	[redacted]	[redacted]
49	Maine	53.810
50	Hawaii	54.720
51	District of Columbia	60.115

The microgrophic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

10/16/03
Date

Starting up, owning, operating, and investing in a business are risky ventures. But those individuals willing to take such risks, by making investments of resources, time and energy, spur the economy forward. Indeed, entrepreneurship and investment serve as the economy's lifeblood.

In terms of their policy environments, the most entrepreneur-friendly states under the Small Business Survival Index 2002 are: 1) South Dakota, 2) Nevada, 3) Wyoming, 4) Texas, 5) Florida, 6) New Hampshire, 7) Tennessee, 8) Washington, 9) Mississippi, 10) Alabama, 11) Michigan, 12) Colorado, 13) Illinois, 14) Virginia, and 15) Indiana. In contrast, the most anti-entrepreneur policy environments are offered by the following: 37) North Carolina, 38) Montana, 39) New Jersey, 40) Ohio, 41) West Virginia, 42) Vermont, 43) New York, 44) Iowa, 45) Rhode Island, 46) California, 47) New Mexico, 48) Minnesota, 49) Maine, 50) Hawaii, and 51) District of Columbia.

The Latest Developments

Faced with daunting budget deficits, lawmakers in various states are forging ahead with a rash of destructive tax increases. These tax hikes will hurt the overall economy – certainly acting to dampen the current struggling economic recovery – while also damaging the competitive positions and economies of the states choosing to raise taxes.

What's the source of the current state budget woes? The sluggish economy certainly has dragged state revenues down below their projected levels, but a bigger problem looms.

Reporting on a state budget study from the National Governors Association and the National Association of State Budget Officers, *The Wall Street Journal* on May 16, 2002, reported that "states face emerging structural budget problems masked by the economic boom of the mid- to late-1990s, when they were able to generously cut taxes and expand services. These structural problems include the erosion of the state sales-tax base, because booming service sector and online sales are largely exempt from sales taxes." Similarly, in a front-page story on state budget woes, the May 16, 2002, *New York Times* identified the problem as: "In the prosperity of the late 1990s, the states acted as if good times would always roll, slashing taxes for individuals and businesses and spending with abandon."

These reports from the *Journal* and the *Times* got part of the story right. The ultimate culprit behind today's state budget woes is out-of-control government spending. As the economy expanded during the late 1990s, revenues flooded state coffers, and spending skyrocketed. According to the numbers reported by the *Journal*, state spending grew at more than twice the rate of inflation on an average annual basis over the past decade.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

Date

However, the notion that taxes were "generously cut" or "slashed" for either businesses or individuals is a rather outlandish claim. Spending increases dwarfed any tax cuts that were passed over the past decade. Indeed, it's hard to think of a single state that implemented regular, significant tax cuts that even came close to matching increases in state spending.

And as for the notion that the states somehow have suffered because certain economic activities – such as online sales or purchases of services – lie beyond the greedy hands of politicians suffers from a glaring contradiction. The fact is that state revenues skyrocketed while the economy grew.

Revealingly, even as state politicians across the nation are talking about deep spending cuts to attack deficits, the *Journal* noted that overall state spending is expected to actually increase in the coming fiscal year by 1.4%. Meanwhile, total state tax increases could top $4.4 billion.

Consider the following small sample of tax increases passed or being advanced in recent months:

• The state legislature in Massachusetts in July passed the state's biggest tax increase ever. In particular, it took two strikingly anti-entrepreneur, anti-growth steps. First, it froze a scheduled reduction in its personal income tax rate. Second, and perhaps most egregious, it imposed a tax on long-term capital gains. Previously, the long-term capital gains tax on individuals (on assets held at least six years) was 0%. It was increased to 5.3%. For good measure, the state's cigarette tax was increased by 75 cents per pack.

• Tennessee's recent budget session was a mixed bag. The good news was that another effort to impose a general personal income tax in the state was defeated. Income taxes are, by far, the most destructive levies imposed by government. However, the state sales tax was increased from 6% to 7%.

• According to *The New York Times* on July 17, 2002, and the July 15, 2002, *Congress Daily*, [redacted] this year – New Jersey, Pennsylvania, Connecticut, Vermont, Kansas, Illinois, Indiana, New York (see below), Maryland, Rhode Island, Ohio, Nebraska, Hawaii, Utah, Louisiana, Tennessee, and Michigan.

• In New York, tax increases unfortunately are making a comeback. Governor George Pataki struck a deal to increase the state budget this fiscal year by a whopping 6% – some two to three times the rate of inflation. The state budget agreement included allowing New York City to increase its cigarette tax by 1,775% – from 8 cents per pack to $1.50. This action came on the heels of an increase in the state cigarette tax from $1.11 to $1.50 earlier in the year.

• In the state of Washington this year, voters will be confronted with a referendum on a massive and destructive tax increase package that features a 9-cent increase in the state's gas tax, a 1% tax on vehicle sales, and increased weight fees for trucks.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

10/16/03
Date

• In Louisiana, *The Times-Picayune* reported on July 21, 2002, that Governor Mike Foster is going to push in the coming months a plan that would cut some sales taxes in favor of increasing the income tax. Increasing income taxes is a particularly destructive measure because such a step raises the costs of working, saving, investing and taking risks, which are the engines of economic growth. In June, it also should be noted, Foster signed a batch of bills that increased taxes, including extending a 3% car rental tax and an increase in the cigarette tax.

The Small Business Survival Index is intended to gauge and compare the burdens and obstacles that government inflicts on entrepreneurs and small businesses. States that choose to increase those burdens will pay a heavy price in the form of lost economic opportunity. Unfortunately, far too many states choose to hurt their economies with tax increases, rather than taking responsible steps to reduce the size of government when faced with budget deficits.

About the Author and SBSC

Raymond J. Keating serves as chief economist for the Small Business Survival Committee (SBSC). [redacted] advocacy group with more than 70,000 [redacted]

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

Date

Appendix A: Listed Alphabetically

Small Business Survival Committee's ~~Seventh~~ Annual

Small Business Survival Index 2002

State	Top Personal Income Tax Rate[1]	Top Capital Gains Tax Rate[2]	Top Corporate Income Tax Rate[3]	Indiv. AMT[4]	Corp. AMT[5]	PIT Rate Indx[6]	Property Taxes[7]	Sales, Gross Rec, Excise Taxes[8]	Death Taxes[9]	Unemp Tax[10]	Health Care Costs[11]	Electric Utilities Costs[12]	Workers' Comp.[13]	Crime Rate[14]	Right to Work[15]	Berts[16]	TL[17]	Internet Access Tax[18]	Gas Tax[19]	State Min. Wage[20]	SBSI
AL	3.07	4.00	4.225	0	0	1	1.24	4.00	0	1.66	0.97	0.79	1.08	4.55	0	6.01	1	0	0.18	0.00	33.775
AK	0.0	0.0	9.4	0	1	0	4.24	1.44	0	3.99	0.92	1.48	1.76	4.25	1	7.80	1	0	0.08	2.00	40.360
AZ	5.04	5.04	6.8	0	0	1	3.18	4.34	0	1.16	0.82	0.93	0.68	5.83	0	4.74	0	0	0.18	0.00	39.740
AR	7.0	4.9	6.5	0	0	1	2.60	4.35	0	2.87	0.94	0.82	0.68	4.12	0	5.61	0	0	0.22	0.00	41.610
CA	9.3	9.3	8.84	1	1	0	2.75	3.60	0	0.92	0.91	1.59	1.49	3.74	1	5.03	0	0	0.18	1.60	52.250
CO	4.63	4.63	4.63	1	0	1	2.88	3.26	0	1.45	0.89	0.83	0.98	3.98	1	5.30	0	0	0.22	0.00	36.680
CT	4.5	4.5	7.5	1	0	1	4.22	3.49	1	2.21	1.24	1.38	0.89	3.23	1	5.32	1	1	0.25	1.55	46.280
DE	5.95	5.95	8.7	0	0	1	1.58	0.79	0	1.90	1.13	0.92	0.69	4.48	1	5.75	0	0	0.23	1.00	41.070
DC	9.3	9.3	9.975	0	0	1	3.46	4.59	0	1.19	1.77	0.92	0.34	7.28	1	7.79	1	0	0.20	1.00	60.115
FL	0.0	0.0	5.5	0	1	0	3.46	4.67	0	1.47	1.08	1.09	1.11	5.69	0	4.90	0	0	0.14	0.00	30.110
GA	6.0	6.0	6.0	0	0	1	2.72	4.10	0	1.34	0.93	0.86	0.71	4.75	0	5.48	1	0	0.08	0.00	40.970
HI	8.25	7.25	6.4	0	0	1	1.87	5.88	0	5.16	1.00	1.81	1.49	5.20	1	5.65	1	1	0.16	0.60	54.720
ID	7.8	3.12	7.6	0	0	1	3.02	3.00	0	5.03	0.81	0.82	1.11	3.19	0	5.76	1	0	0.25	0.00	43.510
IL	3.0	3.0	7.3	0	0	1	3.90	3.00	0	1.61	0.82	0.95	0.82	4.29	1	4.94	1	0	0.19	0.00	36.820
IN	3.4	3.4	7.9	0	0	1	3.48	2.74	1	1.22	0.95	0.76	0.63	3.75	1	5.31	1	0	0.15	0.00	37.690
IA	5.514	7.184	9.9	1	1	0	3.56	3.12	1	4.99	1.00	0.80	0.84	3.23	0	6.02	1	0	0.20	0.00	50.358
KS	6.45	6.45	7.35	0	0	1	3.12	3.69	1	2.02	0.99	0.86	0.92	4.41	0	6.34	1	0	0.21	0.00	45.810
KY	6.0	6.0	8.25	0	0	1	1.89	3.55	1	2.50	0.99	0.57	1.06	2.96	1	5.60	1	0	0.15	0.00	43.520
LA	3.684	4.8	5.2	0	0	1	1.66	5.57	1	1.56	0.99	0.79	0.90	5.42	0	6.27	0	0	0.20	0.00	39.044
ME	8.5	8.5	8.93	1	1	0	5.27	3.37	0	2.34	1.07	1.58	1.61	2.62	1	5.80	1	0	0.22	0.00	53.810
MD	4.75	4.75	7.0	1	0	1	2.62	2.27	1	1.75	1.02	0.83	1.48	4.82	1	5.19	1	0	0.24	0.00	41.720
MA	5.3	5.3	9.5	0	0	1	3.56	2.05	0	1.76	1.28	1.49	0.47	3.03	1	5.21	1	0	0.22	1.60	43.770
MI	4.1	4.1	1.9	0	0	1	3.35	3.14	0	2.08	0.98	1.03	0.97	4.11	1	5.00	1	0	0.19	0.00	33.950
[illegible]																					
MS	5.0	0.0	5.0	0	0	1	2.52	4.86	0	1.50	0.92	0.85	1.05	4.00	0	6.75	0	0	0.18	0.00	33.630
MO	6.0	6.0	5.156	0	0	1	2.39	3.57	0	1.47	1.00	0.79	0.69	4.53	1	5.43	0	0	0.17	0.00	39.196
[illegible]																					
NE	6.68	6.68	7.81	1	0	1	3.65	2.82	1	1.37	0.96	0.72	0.77	4.10	0	6.54	1	0	0.25	0.00	46.350
NV	0.0	0.0	0.0	0	0	0	2.43	5.84	0	3.50	0.84	1.13	0.90	4.27	0	4.13	0	0	0.23	0.00	23.270
NH	0.0	0.0	8.5	0	0	0	5.72	1.13	1	1.50	1.02	1.50	0.81	2.43	1	5.22	1	0	0.18	0.00	31.010
NJ	6.37	6.37	9.0	0	0	1	5.16	2.71	1	2.90	1.12	1.32	0.64	3.16	1	5.41	1	0	0.15	0.00	48.310
NM	8.2	8.2	7.6	0	0	1	1.60	5.80	0	3.12	0.85	1.00	0.79	5.52	1	6.59	1	0	0.17	0.00	52.440
NY	6.85	6.85	8.775	1	1	1	4.23	3.55	0	1.61	1.25	1.46	0.76	3.10	1	6.20	1	0	0.32	0.00	49.955
NC	8.25	8.25	6.9	0	0	1	2.27	3.07	1	2.84	0.94	0.96	0.69	4.92	0	5.66	1	0	0.24	0.00	47.990
ND	5.54	5.54	6.825	0	0	1	3.42	4.05	0	7.11	1.03	0.80	1.19	2.29	0	6.02	1	1	0.21	0.00	47.025

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

10/16/03
Date

Appendix A: Listed Alphabetically
Small Business Survival Committee's Seventh Annual
Small Business Survival Index 2002
continued

State	Top Personal Income Tax Rate	Top Capital Gains Tax Rate	Top Corporate Income Tax Rate	Indiv. AMT	Corp. AMT	PIT Rate Index	Property Taxes	Sales, Gross Rec, Excise Taxes	Death Taxes	Unemp Tax	Health Care Costs	Electric Utilities Costs	Workers' Comp.	Crime Rate	Right to Work	Berts	TL	Internet Access Tax	Gas Tax	State Min. Wage	SBSI
OH	7.5	7.5	8.5	0	0	1	3.17	2.91	1	1.80	1.00	0.89	1.19	4.04	1	5.34	1	1	0.22	0.00	49.060
OK	7.0	7.0	6.0	0	0	1	1.67	3.67	1	2.10	0.90	0.69	1.13	4.56	0	5.77	0	0	0.17	0.00	42.660
OR	9.0	9.0	6.6	0	0	0	3.00	0.56	0	4.12	0.89	0.97	0.81	4.85	1	5.16	0	0	0.24	1.35	47.550
PA	2.8	2.8	9.99	0	0	1	2.94	2.95	1	2.13	1.11	1.12	1.29	3.00	1	4.40	1	0	0.27	0.00	38.800
RI	9.9	5.0	9.0	0	0	0	4.64	2.91	0	3.59	1.20	1.36	0.99	3.48	1	5.38	1	0	0.28	1.00	50.730
SC	7.0	3.92	5.0	0	0	0	2.86	3.38	0	1.34	0.94	0.83	1.26	5.22	0	5.84	1	0	0.16	0.00	38.750
SD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TN	0.0	0.0	6.0	0	0	0	2.01	4.76	1	2.29	1.01	0.82	0.79	4.89	0	5.32	1	1	0.20	0.00	31.090
TX	0.0	0.0	4.5	0	0	0	3.70	4.41	0	1.62	0.90	1.02	0.75	4.96	0	5.67	1	1	0.20	0.00	29.730
UT	5.649	6.3	5.0	0	0	0	2.54	4.31	0	6.10	0.73	0.77	0.55	4.48	0	5.56	1	0	0.25	0.00	43.239
VT	9.264	4.8	9.75	0	0	0	5.23	2.67	0	1.49	0.97	1.59	1.37	2.99	1	6.03	1	0	0.20	1.10	49.454
VA	5.75	5.75	6.0	0	0	1	2.99	2.53	0	1.41	0.87	0.87	0.49	3.05	0	5.53	1	0	0.18	0.00	37.400
WA	0.0	0.0	0.0	0	0	0	3.54	6.13	0	4.15	0.90	0.86	1.54	5.11	1	5.13	1	0	0.23	1.75	31.340
WV	6.5	6.5	9.0	1	0	1	2.21	4.27	0	2.53	1.08	0.73	4.24	2.60	1	5.36	1	0	0.21	0.00	49.230
WI	6.75	2.7	7.9	1	0	1	4.03	3.06	0	3.04	1.02	0.87	0.87	3.21	1	5.34	1	1	0.31	0.00	44.100
WY	0.0	0.0	0.0	0	0	0	4.37	3.87	0	4.44	0.90	0.64	0.80	3.30	0	8.18	1	0	0.14	0.00	27.640

The microgrophic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

10/16/02
Date

Appendix B: Ranked According to Index Score

Small Business Survival Committee's Seventh Annual

Small Business Survival Index 2002

Rank	State	Top Personal Income Tax Rate	Top Capital Gains Tax Rate	Top Corporate Income Tax Rate	Indiv. AMT	Corp. AMT	PIT Rate Indx.	Property Taxes	Sales, Gross Rec, Excise Taxes	Death Taxes	Unemp Tax	Health Care Costs	Electric Utilities Costs	Workers' Comp.	Crime Rate	Right to Work	Berts	TL	Internet Access Tax	Gas Tax	State Min. Wage	SBSI
1	SD	0.0	0.0	0.0	0	0	0	1.35	3.90	0	1.50	0.97	0.87	0.90	2.27	0	3.36	0	1	0.22	0.00	21.980
2	NV	0.0	0.0	0.0	0	0	0	2.43	5.84	0	3.50	0.84	1.13	0.90	4.27	0	4.13	0	0	0.23	0.00	23.270
3	WY	0.0	0.0	0.0	0	0	0	4.37	3.87	0	4.44	0.90	0.64	0.80	3.30	0	8.18	1	0	0.14	0.00	27.640
4	TX	0.0	0.0	4.5	0	0	0	3.70	4.41	0	1.62	0.90	1.02	0.75	4.56	0	5.67	1	1	0.20	0.00	29.730
5	FL	0.0	0.0	5.5	0	1	0	3.46	4.67	0	1.47	1.08	1.09	1.11	5.69	0	4.90	0	0	0.14	0.00	30.110
6	NH	0.0	0.0	8.5	0	0	0	5.72	1.13	1	1.50	1.02	1.50	0.81	2.43	1	5.22	1	0	0.18	0.00	31.010
7	TN	0.0	0.0	6.0	0	0	0	2.01	4.76	1	2.29	1.01	0.82	0.79	4.89	0	5.32	1	1	0.20	0.00	31.090
8	WA	0.0	0.0	0.0	0	0	0	3.54	6.13	0	4.15	0.90	0.86	1.54	5.11	1	5.13	1	0	0.23	1.75	31.340
9	MS	5.0	0.0	5.0	0	0	1	2.52	4.86	0	1.50	0.92	0.85	1.05	4.00	0	6.75	0	0	0.18	0.00	33.630
10	AL	3.07	4.00	4.225	0	0	1	1.24	4.00	0	1.66	0.97	0.79	1.08	4.55	0	6.01	1	0	0.18	0.00	33.775
11	MI	4.1	4.1	1.9	0	0	1	3.35	3.14	0	2.08	0.98	1.03	0.97	4.11	1	5.00	1	0	0.19	0.00	33.950
12	CO	4.63	4.63	4.63	1	0	1	2.88	3.26	0	1.45	0.89	0.83	0.98	3.98	1	5.30	0	0	0.22	0.00	36.680
13	IL	3.0	3.0	7.3	0	0	1	3.90	3.00	0	1.61	0.82	0.95	0.82	4.29	1	4.94	1	0	0.19	0.00	36.820
14	VA	5.75	5.75	6.0	0	0	1	2.99	2.53	0	1.41	0.87	0.87	0.49	3.03	0	5.53	1	0	0.18	0.00	37.400
15	IN	3.4	3.4	7.9	0	0	1	3.48	2.74	1	1.22	0.95	0.76	0.63	3.75	1	5.31	1	0	0.15	0.00	37.690
16	SC	7.0	3.92	5.0	0	0	0	2.86	3.38	0	1.34	0.94	0.83	1.26	5.22	0	5.84	1	0	0.16	0.00	38.750
17	PA	2.8	2.8	9.99	0	0	1	2.94	2.95	1	2.13	1.11	1.12	1.29	3.00	1	4.40	1	0	0.27	0.00	38.800
18	LA	3.684	4.8	5.2	0	0	1	1.66	5.57	1	1.56	0.99	0.79	0.90	5.42	0	6.27	0	0	0.20	0.00	39.044
19	MO	6.0	6.0	5.156	0	0	1	2.39	3.57	0	1.47	1.00	0.79	0.69	4.53	1	5.43	0	0	0.17	0.00	39.196
20	AZ	5.04	5.04	6.8	0	0	1	3.18	4.34	0	1.16	0.82	0.93	0.68	5.83	0	4.74	0	0	0.18	0.00	39.740
21	AK	0.0	0.0	9.4	0	1	0	4.24	1.44	0	3.99	0.93	1.48	1.76	4.25	1	7.80	1	0	0.08	2.00	40.360
22	GA	6.0	6.0	6.0	0	0	1	2.72	4.10	0	1.34	0.91	0.86	0.71	4.75	0	5.48	1	0	0.08	0.00	40.970
23	DE	5.95	5.95	8.7	0	0	1	1.58	0.79	0	1.90	1.13	0.92	0.69	4.48	1	5.75	0	0	0.23	1.00	41.070
24	AR	7.0	4.9	6.5	0	0	1	2.60	4.35	0	2.87	0.96	0.82	0.68	4.12	0	5.61	0	0	0.22	0.00	41.610
25	MD	4.75	4.75	7.0	1	0	1	2.62	2.27	1	1.75	1.02	0.83	1.48	4.82	1	5.19	1	0	0.24	0.00	41.720
26	OK	7.0	7.0	6.0	0	0	1	1.67	3.67	1	2.10	0.90	0.69	1.13	4.56	0	5.77	0	0	0.17	0.00	42.660
27	UT	5.649	6.3	5.0	0	0	0	2.54	4.31	0	6.10	0.75	0.77	0.55	4.48	0	5.56	1	0	0.25	0.00	43.239
28	ID	7.8	3.12	7.6	0	0	1	3.02	3.00	0	5.03	0.81	0.82	1.11	3.19	0	5.76	1	0	0.25	0.00	43.510
29	KY	6.0	6.0	8.25	0	0	1	1.89	3.55	1	2.50	0.99	0.87	1.06	2.96	1	5.60	1	0	0.15	0.00	43.520
30	MA	5.3	5.3	9.5	0	0	1	3.56	2.05	0	1.76	1.28	1.49	0.47	3.03	1	5.21	1	0	0.22	1.60	43.770
31	WI	6.75	2.7	7.9	1	0	1	4.03	3.06	0	3.04	1.02	0.87	0.87	3.21	1	5.34	1	1	0.31	0.00	44.100
32	KS	6.45	6.45	7.35	0	0	1	3.12	3.69	1	2.02	0.99	0.86	0.92	4.41	0	6.34	1	0	0.21	0.00	45.810
33	CT	4.5	4.5	7.5	1	0	1	4.22	3.49	1	2.21	1.24	1.38	0.89	3.23	1	5.32	1	1	0.25	1.55	46.280
34	NE	6.68	6.68	7.81	1	0	1	3.65	2.82	1	1.37	0.96	0.72	0.77	4.10	0	6.54	1	0	0.25	0.00	46.350
35	ND	5.54	5.54	6.825	0	0	1	3.42	4.05	0	7.11	1.03	0.80	1.19	2.29	0	6.02	1	1	0.21	0.00	47.025

The microgrophic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

Date

Appendix B: Ranked According to Index Score
Small Business Survival Committee's Seventh Annual
Small Business Survival Index 2002
continued

Rank	State	Top Personal Income Tax Rate	Top Capital Gains Tax Rate	Top Corporate Income Tax Rate	Indiv. AMT	Corp. AMT	PIT Rate Indx.	Sales, Gross Rec, Property Taxes	Excise Taxes	Death Taxes	Unemp Tax	Health Care Costs	Electric Utilities Costs	Workers' Comp.	Crime Rate	Right to Work	Beers	TL	Internet Access Tax	Gas Tax	State Min. Wage	SBSI
36	OR	9.0	9.0	6.6	0	0	0	3.00	0.56	0	4.12	0.89	0.97	0.81	4.85	1	5.16	0	0	0.24	1.35	47.550
37	NC	8.25	8.25	6.9	0	0	1	2.27	3.07	1	2.84	0.94	0.96	0.69	4.92	0	5.66	1	0	0.24	0.00	47.990
[illegible]	MT	6.15	6.8	6.75	0	0	0	4.75	0.29	0	4.96	0.88	[illegible]	[illegible]	3.53	1	[illegible]	1	0	[illegible]	0.00	47.994
39	NJ	6.37	6.37	9.0	0	0	1	5.16	2.71	1	2.90	1.12	1.32	0.64	3.16	1	5.41	1	0	0.15	0.00	48.310
40	OH	7.5	7.5	8.5	0	0	1	3.17	2.91	1	1.80	1.00	0.89	1.19	4.04	1	5.34	1	1	0.22	0.00	49.060
41	WV	6.5	6.5	9.0	1	0	1	2.21	4.27	0	2.53	1.08	0.73	4.24	2.60	1	5.36	1	0	0.21	0.00	49.230
42	VT	9.264	4.8	9.75	0	0	0	5.23	2.67	0	1.49	0.97	1.59	1.37	2.99	1	6.03	1	0	0.20	1.10	49.454
43	NY	6.85	6.85	8.775	1	1	1	4.23	3.55	0	1.61	1.25	1.46	0.76	3.10	1	6.20	1	0	0.32	0.00	49.955
44	IA	5.514	7.184	9.9	1	1	0	3.56	3.12	1	4.99	1.00	0.80	0.84	3.23	0	6.02	1	0	0.20	0.00	50.358
45	RI	9.9	5.0	9.0	0	0	0	4.64	2.91	0	3.59	1.20	1.36	0.99	3.48	1	5.38	1	0	0.28	1.00	50.730
46	CA	9.3	9.3	8.84	1	1	0	2.75	3.60	0	0.92	0.91	1.59	1.49	3.74	1	5.03	0	0	0.18	1.60	52.250
47	NM	8.2	8.2	7.6	0	0	1	1.60	5.80	0	3.12	0.85	1.00	0.79	5.52	1	6.59	1	0	0.17	0.00	52.440
[illegible]	MN	7.85	7.85	9.8	1	1	0	3.20	3.47	0	3.58	1.06	0.79	[illegible]	3.49	1	[illegible]	1	0	[illegible]	[illegible]	53.610
49	ME	8.5	8.5	8.93	1	1	0	5.27	3.37	0	2.34	1.07	1.58	1.61	2.62	1	5.80	1	0	0.22	0.00	53.810
50	HI	8.25	7.25	6.4	0	0	1	1.87	5.88	0	5.16	1.00	1.81	1.49	5.20	1	5.65	1	1	0.16	0.60	54.720
51	DC	9.3	9.3	9.975	0	0	1	3.46	4.59	0	1.19	1.77	0.92	0.34	7.28	1	7.79	1	0	0.20	1.00	60.115

The microgrophic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

Date

Appendix C: Rankings of Particular Measures Included in the Small Business Survival Index

Small Business Survival Committee's Seventh Annual

Small Business Survival Index 2002

(Rankings: 1=Best, 51=Worst)

State	Top Personal Income Tax Rate	Top Capital Gains Tax Rate	Top Corporate Income Tax Rate	Property Taxes	Sales, Gross Rec, Excise Taxes	Unemploy Tax	Health Care Costs	Electric Utilities Costs	Workers' Comp.	Crime Rate	Bureaucrats	Gas Tax
AL	12	17	6	1	35	19	24t	8t	35	36	39	13t
AK	1t	1t	45	44	5	41	16t	45	50	29	50	1t
AZ	20	26	23	27	40	2	3	31	7t	50	3	13t
AR	37t	24	20	15	41	35	19t	14t	7t	28	28	31t
CA	49t	50	40	18	30	1	15	49t	45t	21	7	13t
CO	17	20	8	20	22	9	9t	17t	31	23	13	31t
CT	16	19	29	42	26	29	48	43	25	15t	15t	43
DE	26	30	38	2	2t	23	46	29t	9t	33t	33	37t
DC	49t	51	50	31t	43	3	51	29t	1	51	49	21t
FL	1t	1t	14	31t	44	10t	42t	38	36t	49	4	3t
GA	27t	31t	15t	17	37	5t	18	21t	12	38	24	1t
HI	44t	42	19	6	50	48	31t	51	45t	45	30	8t
ID	41	14	30t	24	16t	47	2	14t	36t	13	34	43t
IL	11	13	27	40	16t	16t	3t	32	21	31	5	19t
IN	13	15	33t	33	11	4	22	6	5	22	14	5t
IA	22	41	49	36t	20	46	31t	12t	22	15t	40t	21t
KS	31	36	28	25	32	25	28t	21t	29	32	45	28t
KY	27t	31t	35	7	27t	32	28t	1	34	6	27	5t
LA	14	22t	13	4	47	15	28t	8t	26t	47	44	21t
ME	46	47	41	50	23	31	41	48	48	5	36	31t
MD	18	21	26	16	7	20	36t	17t	44	39	10	40t
MA	21	27	46	36t	6	21	50	46	2	9t	11	31t
MI	15	18	5	29	21	26	27	37	30	27	6	19t
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MS	19	1t	9t	13	46	13t	16t	20	33	24	48	13t
MO	27t	31t	12	11	29	10t	31t	8t	9t	35	23	10t
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NE	33	38	32	38	12	7	23	4	15	26	46	43t
NV	1t	1t	1t	12	49	39	5	40	26t	30	1	37t
NH	1t	1t	36t	51	4	13t	36t	47	19t	3	12	13t
NJ	30	35	42t	48	10	36	45	41	6	12	22	5t
NM	43	45	30t	3	48	38	6	35	16t	48	47	10t
NY	36	39	39	43	27t	16t	49	44	14	11	43	51
NC	44t	46	25	10	19	34	19t	33	9t	42	31	40t

The microgrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

Date

Appendix C: Rankings of Particular Measures Included in the Small Business Survival Index

Small Business Survival Committee's Seventh Annual

Small Business Survival Index 2002

(Rankings: 1=Best, 51=Worst)

continued

State	Top Personal Income Tax Rate	Top Capital Gains Tax Rate	Top Corporate Income Tax Rate	Property Taxes	Sales, Gross Rec, Excise Taxes	Unemploy Tax	Health Care Costs	Electric Utilities Costs	Workers' Comp.	Crime Rate	Bureaucrats	Gas Tax
[illegible]	23	28	24	30	36	31	39	12t	39t	1	40t	28t
OH	40	43	36t	26	13t	22	31t	28	39t	25	17t	31t
OK	37t	40	15t	5	31	27	11t	3	38	37	35	10t
OR	47	49	21	23	1	42	9t	34	19t	40	9	40t
PA	10	12	51	21	15	28	44	39	42	8	2	47
RI	51	25	42t	46	13t	40	47	42	32	18	20t	48t
SC	37t	16	9t	19	24	5t	19t	17t	41	46	37	8t
SD	1t	1t	1t	35	34	24	24t	21t	26t	2	20t	31t
TN	1t	1t	15t	8	45	30	35	14t	16t	41	15t	21t
TX	1t	1t	7	39	42	18	11t	36	13	43	32	21t
UT	24	34	9t	14	39	50	1	7	4	33t	26	43t
VT	48	22t	47	49	9	12	24t	49t	43	7	42	21t
VA	25	29	15t	22	8	8	7	25t	3	9t	25	13t
WA	1t	1t	1t	34	51	43	11t	21t	47	44	8	37t
WV	32	37	42t	9	38	33	42t	5	51	4	19	28t
WI	34	11	33t	41	18	37	36t	25t	23	14	17t	50
WY	1t	1t	1t	45	33	44	1lt	2	18	17	51	3t

---

[1] Sources: CCH Incorporated, *2002 State Tax* Handbook, www.bankrate.com, and various state sources. Note: Personal income tax rates reflect deductibility of federal income taxes in certain states.

[2] Sources: CCH Incorporated, *2002 State Tax Handbook*, www.bankrate.com, and various state sources. Note: Capital gains tax rates reflect deductibility of federal taxes in certain states.

[3] Sources: CCH Incorporated, *2002 State Tax Handbook*, www.bankrate.com, and various state sources. Note: Corporate income tax rates reflect deductibility of federal income taxes in certain states.

[4] Sources: CCH Incorporated, *2002 State Tax Handbook*.

[5] Sources: CCH Incorporated, *2002 State Tax Handbook*.

[6] Source: The Federation of Tax Administrators website at www.taxadmin.org.

[7] Percent of personal income—1998-99 latest state and local numbers available from the U.S. Bureau of the Census, U.S. Department of Commerce.

[8] Percent of personal income (revenues do not include revenues from gas taxes since gas tax rates are included as a separate measure in the Index)—1998-99 latest state and local numbers available from the U.S. Bureau of the Census, U.S. Department of Commerce.

[9] "1" means state levies an estate, inheritance, or gift tax beyond the federal "pick up" credit, and "0" means state death taxes limited to the federal "pick up" credit. Source: CCH Incorporated, *2002 State Tax Handbook*, Center on Budget and Policy Priorities, the American Legislative Exchange Council, and the National Conference of State Legislators.
[10] Latest maximum rate applied to average annual pay (latest pay data for 2000). Source: U.S. Department of Labor.
[11] Index of per capita personal health care spending in each state relative to U.S. average. Source: U.S. Department of Health and Human Services, and the U.S. Census Bureau, U.S. Department of Commerce.
[12] Index of state's average revenue per kilowatthour for electricity utilities for January 2002. Source: Energy Information Agency, "Electric Power Monthly" April 2002.
[13] 2000 state workers' compensation benefits as a percent of covered wages. Sources: National Academy of Social Insurance, *Workers' Compensation: Benefits, Coverage, and Costs, 2000 New Estimates*.
[14] U.S. Federal Bureau of Investigation, *Crime in the United States 2000*.
[15] "0" means state is a right to work state, and "1" means it is not a right to work state. Source: National Right to Work Legal Defense Foundation.
[16] State and local government full-time-equivalent employees per 100 population for 2001. Source: U.S. Bureau of the Census, U.S. Department of Commerce.
[17] Americans for Tax Reform.
[18] Karl Frieden, *Cybertaxation: The Taxation of E-Commerce*, CCH Incorporated, 2000.
[19] American Petroleum Institute, data as of April 2002.
[20] U.S. Department of Labor.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

10/16/03
Date

TRIBAL BUSINESS COUNCIL
(701) 627-4781
Fax (701) 627-3805

Appropriations Committee
North Dakota House of Representatives
58th Legislative Assembly

Testimony of Three Affiliated Tribes
Mandan, Hidatsa and Arikara Nation

on HB 1504
Economic Development Study

March 25, 2003

Mr. Chairman, members of the Committee, thank you for the opportunity to present testimony today in favor of HB 1504, which provides for a legislative council study of the state's business climate and provides an appropriation for that purpose. This testimony is being provided on behalf of Chairman Tex Hall of the Mandan, Hidatsa and Arikara Nation.

One of the key components of HB 1504 is that is calls for a study that will consider methods of creating business partnerships with North Dakota Indian tribes in order to increase primary sector business growth in the state. This is exactly what I was talking about in my speech to the legislature on January 9. All of the Indian tribes in this state are already substantial contributors to the state's economy, but we also know that our biggest resource is our tribal members, who are not very well utilized in our state's economy.

We know that we our Tribal members are being underutilized because our unemployment rates are at 50% and greater. This dismal statistic is simply not one I will accept. As I stated in my speech to the legislature, we are now in a position where we need to work together, the Tribe and the state, in an atmosphere of mutual respect for our sovereign rights, to improve the economic conditions for all people who live in our state, including our Tribal members. If economic conditions are improved for Indians in our state, the state saves itself a lot of money. The deficit that now faces the state can virtually disappear; but we have to come up with some real solutions.

This session I have been working with legislative leaders from both parties to come up with real solutions. For example, we have talked about ways to increase the number of Federal contracts that can be obtained by our qualified Tribal and individually owned Indian businesses on the reservations. Other ideas include extending various state tax incentives to the reservations, providing more opportunity for Tribes and individual Indians to access capital through the state Department of Commerce and the Bank of North Dakota, improving

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

LaCosta Richmond 10/16/03
Operator's Signature Date

communications between the various economic development centers of our state, improving access for Tribes and their members to programs like Workforce Investment, and so forth. Undoubtedly the "primary sector business congress" called for by HB 1504 will develop many other ideas that will be useful to create better economic development opportunities for Tribes in our state.

This will take a substantial effort on the part of the "primary sector business congress", the state Legislative Council, and the Tribes, meeting together to determine how we can improve the rural economy of our state. I look forward to the opportunity for our Tribe to participate in this process on a government-to-government basis, so that together we can offer substantive legislative solutions to the next North Dakota legislative session.

I know there is a lot we can do, acting in cooperation with each other in an atmosphere of mutual respect for the sovereignty both the state and the Indian tribes in this state possess. I urge the Committee to give a DO PASS recommendation to HB 1504.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

LaCosta Rickford 10/10/03
Operator's Signature Date