

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1519

2005 HOUSE AGRICULTURE

HB 1519

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1519

House Agriculture Committee

Conference Committee

Hearing Date 2---3---05

Tape Number	Side A	Side B	Meter #
ONE		B	2.9 TO 6.8
Committee Clerk Signature <i>Edward D. Elbert</i>			

Minutes:

CHAIRMAN NICHOLAS: Committee Members we will open the hearing on HB 1519.

Committee members I am the primary sponsor on this bill and rather than take the podium I will

Make a couple of comments. The Agriculture products utilization was established back in the

seventies and has evolved over a long period of time. I took a look at the language in this bill

And I know there is a lot of new technology that are coming out so what we did was just add the

word technology which would allow the agriculture products utilization commission to make

some technology grants. I know most of you received the brochure and Representative

Kingsbury husband did the cover. You were also able to see the numerous grants.

For the small amounts of dollars in this program it probably has been one of the most successful

programs in bringing new Agriculture development to North Dakota. Virtually

Every one of the new processing plants Dakota Growers I can go on and on. They provide funds

for many projects in our state. It has helped a lot of people get their businesses up and running.

Page 2

House Agriculture Committee

Bill/Resolution Number hb 1519

Hearing Date 2---03---05

That, basically is all I have to . Representative Aarsvold is also a sponsor.

REPRESENTATIVE AARSVOLD: I support the concept adding terminology of course is necessary. Our young farmer are into new concepts and I hope they can get seed money. For them to carry out their endeavor.

JOHN SNYDER APAC is actually neutral on the bill.

EXECUTIVE DIRECTOR OF APAC. APAC can do grants within our agency. And has done some. Clarifying the language is good. We will need additional appropriations. Cuts the pie a little smaller.

CHAIRMAN NICHOLAS: We will go down and see appropriations about additional fund.

CHAIRMAN NICHOLAS: Additional testimony for bill. Not for bill.

CHAIRMAN NICHOLAS; CLOSED ON HB 1519

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. **HB 1519**

House Agriculture Committee

Conference Committee

Hearing Date 2---4---05

Tape Number	Side A	Side B	Meter #
TWO	A		00 TO 92.0
Committee Clerk Signature <i>Edward D. Clayton</i>			

Minutes:

**CHAIRMAN NICHOLAS:** Committee Members, we will re-open the hearing on HB 1519

What are the committees wishes on this bill. I will entertain a motion on HB 1519.

**REPRESENTATIVE MULLER MADE A MOTION FOR A DO PASS.**

**REPRESENTATIVE KINGSBURY SECONDED THE MOTION.**

**THE ROLL WAS TAKEN.**

**THERE WERE 12 YES**

**0 NO**

**1 ABSENT**

**REPRESENTATIVE ONSTAD CARRIED HB 1519**

**CHAIRMAN NICHOLAS CLOSED ON HB 1519**

2-4-05

HB 1519

Date:  
Roll Call Vote #:

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO.

House HOUSE AGRICULTURE COMMITTEE Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DO PASS

Motion Made By Mueller Seconded By Kingsbury

Representatives	Yes	No	Representatives	Yes	No
REP. EUGENE NICHOLAS CHAIRMAN	✓		REP. TRACY BOE	✓	
REP. JOYCE KINGSBURY VICE CHAIRMAN	✓		REP. ROD FROELICH	✓	
REP. WESLEY BELTER			REP. PHILLIP MUELLER	✓	
REP. M. BRANDENBURG	✓		REP. KENTON ONSTAD	✓	
REP. CHUCK DAMSCHEN	✓				
REP. CHAIG HEADLAND	✓				
REP. GARY KREIDT	✓				
REP. GERALD UGLEM	✓				
REP. JOHN WALL	✓				

Total (Yes) 12 No 0

Absent 1

Floor Assignment ONSTAD

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

**REPORT OF STANDING COMMITTEE (410)**  
February 4, 2005 3:47 p.m.

**Module No: HR-23-1908**  
**Carrier: Onstad**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**HB 1519: Agriculture Committee (Rep. Nicholas, Chairman) recommends DO PASS**  
(12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1519 was placed on the  
Eleventh order on the calendar.

2005 SENATE AGRICULTURE

HB 1519

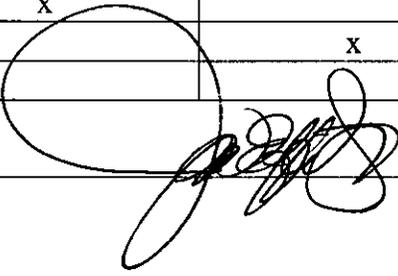
2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1519

Senate Agriculture Committee

Conference Committee

Hearing Date February 24, 2005

Tape Number	Side A	Side B	Meter #
1	x		5771 - end
1		x	0 - 1973
Committee Clerk Signature 			

Minutes:

**Chairman Flakoll** opened the hearing on HB 1519, a bill relating to agricultural products utilization commission grants. Senator Taylor was absent.

**Representative Nicholas** introduced the bill. He was in the legislature when the APUC program started and he has watched it evolve. One of the most successful projects in rural North Dakota has been Dakota Growers Pasta and it started with an APUC grant of \$150,000 in the fall of 1990. Without APUC, he isn't sure we would have Dakota Growers Pasta. That one project has provided over 300 jobs. APUC has provided seed capital for numerous projects. It is well administered and has provided dollars to nearly every community in North Dakota. Dakota Growers uses 12 million bushels of North Dakota durum and processes over 30 million pounds of pasta per month. Greenfield is the new low carb product patented by Dakota Growers that has great potential. This is a simple resolution that adds technology, so it would allow APUC to make grants for technology.

**Senator Klein** asked if the funding is adequate, is the gas tax the only funding source. (meter 118, side B, tape 1)

**Representative Nicholas** said some other dollars have been added. The program could obviously use some more money. They contribute greatly. This is the one program in state government that is very accessible to the needs of rural North Dakota. He hopes the appropriations committee could find some additional funds for APUC.

**Senator Urlacher** asked if this is the gas tax, does it apply to diesel.

**Representative Nicholas** said farmers can apply for a refund for their off road use of diesel and some of that goes to the gas tax fund.

**Senator Urlacher** said with gas usage declining, is that cutting into the fund.

**Representative Nicholas** said they may need a new funding source.

**Representative Aarsvold** testified in favor of the bill. This will add a technology component to APUC funding. In the past, the program has funded on farm or cooperative ventures. A portion of the gas tax goes to SBARE and the balance to APUC. The reduction in gas tax refunds is significant, \$191,000 for the current biennium. The funding source is going down rapidly. This is due to increased diesel use on the farm and diesel is not a refundable item on the fuel tax. There is a need for us to provide opportunity to young entrepreneurs in technological areas.

**Senator Urlacher** asked if grant funding is constant or if it has declined. (meter 511)

**Representative Aarsvold** recommended asking the commissioner.

**John Schneider**, Executive Director of APUC, appeared to answer questions. He said as programs are added, the budget is very limited. \$1.1 million comes from the general fund. In the last biennium, their budget called for collecting \$575,000 from the gas tax and to date they have

collected \$300,000 so it has declined. They have noticed a \$150,000 to \$200,000 reduction per biennium for the last few years. There is currently another bill to add more grant categories. There are four grant periods per year, each with \$.5 - 1 million in requests and they have \$250,000 to give. It is very competitive.

**Senator Flakoll** asked what APUC does to encourage gas tax refunding.

**Mr. Schneider** said they don't get involved in that. They used to do a promotional campaign.

**Senator Flakoll** asked if they receive good proposals so they are able to award most of the available funds.

**Mr. Schneider** said they usually receive good proposals, they have done some technology projects. They have to add value to North Dakota products.

**Senator Klein** asked if they can carry over funds. (meter 826)

**Mr. Schneider** said the only funds they can carry over are committed funds.

**Senator Klein** asked how much funding they will have at the end of the session to do the job. Will you be short? This is a good committee to pitch because we care, the only problem is we don't write the checks.

**Mr. Schneider** said it's hard to pin point, the gas tax comes in monthly, and there is a funding quarter left. He hesitates to say a number because once he says it, it is gospel. It might be about \$350,000 in uncommitted funds remaining at the end of the biennium. If we lose another \$200,000 because of the gas tax, next biennium, they could be equal.

**Senator Klein** asked him to explain his concerns over some of the bills attaching the program and why he is concerned about funding.

**Mr. Schneider** said there are two bills of high concern. HB 1478 would take \$250,000 for E85 tax buy down, and SB 2018 takes \$100,000 for an unnamed company doing scab research. SB 2147 adds two more grant programs and 1519 adds one more grant program category. We get 3 more grant categories, take every dime of carryover for E85 and scab research and send them into the new biennium with nothing. They have only \$800,000 to fund projects and get \$.5 - 1 million per quarter in requests.

**Carol Two Eagles** appeared in a neutral position. (meter 1208) She wanted to bring something to the attention of the committee. She was speaking with Jude Iverson, the head of the Garrison Area Improvement Association and to some people from the business councils of Standing Rock and Three Affiliated who would like to see an amendment for minorities and women. No one has been able to determine a percentage of grants that go to women and minorities. Apparently Jude Iverson submitted a grant proposal to APUC and felt she was given a very bad hearing. She is a very professional woman. They wanted to bring this to your attention. She does not have any further information. The conversation with Three Affiliated and Standing Rock was a conversation in the hall so she doesn't have anything official.

**Senator Urlacher** asked if she was speaking on her own behalf (meter 1332)

**Ms. Two Eagles** said she is bringing a message from people like the Garrison Area Improvement Association. She said you're up there, will you go. She is not in any way official. The same holds for Three Affiliated and Standing Rock, they couldn't be here. Its unofficial but it is a request they want you to entertain.

**Senator Flakoll** said usually registered lobbyists have to appear on their behalf.

**Ms. Two Eagles** said they asked if you would think about that. She could get the contact numbers for Jude Iverson and the business councils of the tribes.

**Senator Flakoll** said he thinks it is their job to contact of the committee.

**Senator Klein** said as long as Mr. Schneider is still in the room, he would like to ask another question. We have added technology, what is your main emphasis. Does it have to be agriculture related. (meter 1450)

**Mr. Schneider** said the overall mission is it has to be a North Dakota company adding value to a raw North Dakota agricultural product, it has been that way since 1979.

**Senator Klein** said if people are denied, it is conceivable they were denied because they did not fit the mission of APUC. There are other options available.

**Mr. Schneider** said that is true. Usually when a project is turned down, it is because it does not fit the guidelines, which are legislative.

**Senator Flakoll** closed the hearing on HB 1519.

**Senator Flakoll** said during the break, Mr. Schneider said they have a large number of funded projects by women and minorities.

**Senator Klein** said they sort the best projects. This is not the place to tack on an amendment.

**Senator Urlacher** asked where is the separation between funding by APUC and the previous bill.

**Senator Klein** said SBARE deals primarily with research and extension and APUC deals with value added agricultural products.

**Senator Urlacher** asked if there was cross over.

**Senator Klein** said no.

Page 6

Senate Agriculture Committee

Bill/Resolution Number HB 1519

Hearing Date February 24, 2005

**Senator Flakoll** said the similarity is they both use the gas tax.

**Senator Klein** moved a do pass on HB 1519.

**Senator Erbele** seconded the motion.

The motion passed on a roll call vote 5-0-1.

**Senator Klein** will carry the bill.



**REPORT OF STANDING COMMITTEE (410)**  
February 25, 2005 9:50 a.m.

**Module No: SR-35-3660**  
**Carrier: Klein**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**HB 1519: Agriculture Committee (Sen. Flakoll, Chairman) recommends DO PASS**  
**(5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1519 was placed on the**  
**Fourteenth order on the calendar.**