

MICROFILM DIVIDER

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



ROLL NUMBER

DESCRIPTION

2282

2007 SENATE TRANSPORTATION

SB 2282

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2282

Senate Transportation Committee

Check here for Conference Committee

Hearing Date: February 1, 2007

Recorder Job Number: 2543 & 2618

Committee Clerk Signature

Jody Hauge

Minutes:

Senator Gary Lee opened the hearing on SB 2282 relating to renewable energy research council renewable fuels grants, flexible fuel vehicle registration fees, motor vehicle fuel tax on ethanol-blended fuel, and corporate income tax credits to promote renewable energy sales and use; to provide an appropriation; to provide an effective date; and to provide an expiration date. There were five committee members present and one absent.

Senator Heitkamp introduced SB 2282. The bill is in front of you because there were a number of us last session that wanted to encourage the use of E-85. We wanted dealers to take risks and get out there and promote renewable fuels and many dealers did. We put a financial incentive to do that and it worked. Three dollar gas and an incentive on E-85 worked. Two dollar gas changed some of that and also when the incentives were gone the incentive was gone. SB 2282 was put out there to give some incentives to the marketers. The bill focuses on encouraging the retailers and others to use blender pumps. The bill establishes the renewable fuel goal of replacing twenty-five percent of all petroleum used in the formation of gasoline with biofuels by the year 2020. This bill provides a scalable tax credit for retailers on meeting the states renewable fuel standards. It provides a tax credit for the sale of biodiesel blended fuels and you will see some amendments in this area. It eliminates the tax

on the ethanol portion of each gallon of gas sold. It sets a goal for flex fuel vehicles in North Dakota while giving a ten dollar break on vehicle registration on flex fuel vehicles. It directs the Renewable Energy Council that was created in SB 2288 to provide a cost share to install or convert infrastructure to dispense ethanol at blends higher than ten percent and to store and dispense biodiesel.

Senator Heitkamp passed out some proposed amendments to SB 2282. (Attached see proposed amendments) **Senator Heitkamp** said he was happy the bill was in the Transportation Committee. This bill keeps the retailers in mind. It reward and gives incentives to retailers.

Senator Potter asked where we are now in terms of the percentage of petroleum used today or the number of flex fuel vehicles.

Senator Heitkamp answered that the Ag Department would be testifying in favor of SB 2282 and they should have these figures.

Senator Lee asked if the amendments affected the fiscal note.

Senator Heitkamp said he was going to let someone else answer that but he thought it would.

Senator Fiebiger asked about the corporate credits on page 3 and how they arrived at the 4.5 cents per gallon.

Senator Heitkamp said this bill has been worked through the Renewable Partnership and they looked for support from them and in the end with the corrections they were able to garner that support.

Senator Lee wondered how the word goal fits into the definition of policy making that we do here.

Senator Heitkamp said the word goal fits in good as long as it isn't used another day as a club. This is a group effort.

Senator Lee asked how he would see the consumer being affected at the pump with this bill.

Senator Heitkamp said that if you believe in the capitalist system, if the retailer saves or makes money hopefully he will pass it on. The retailers have some major cost of going to the blended pumps. This bill should help that.

Senator Potter said that there will be some that say great plan but don't take money away from the highway fund. Senator asked if money could be considered from other sources.

Senator Heitkamp said he would leave that up to the committee.

Representative Guleson testified in favor of SB 2282. She said that they had addressed the production side but this bill speaks to the use and the market side. This bill is patterned after an Iowa bill that was passed in their last session. She told what South Dakota and Minnesota are doing to address this also. This bill is a good positive blend of goals and incentives. She said right now we produce about 35 million gallons and with the proposed plants it will be closer to 320 million gallons. She said we have to address the use side. She believes this bill addresses that. What she likes most about the bill is that it has incremental increases in goals and that will match up with the increases in production as it comes on line.

Secretary Roger Johnson strongly supports this bill. His written testimony is attached #2.

Mike Clemen, Chairman of the ND Renewable Energy Partnership supports a do pass on SB 2282 (Attachment #3). He also stated that the ND Corn Growers Association urges a Do Pass on SB 2282.

Randy Schneider, President of the ND Ethanol Producers Association testified in support of SB 2282. He said that we have done a great job of producing and now we have to deal with the backside, the supply chain.

Senator Potter asked if Rep. Guleson had said that only 40% of ND consumers use ethanol.

Mr. Schneider said that is correct. Some numbers say that a little less than half the gas consumed in ND is either an E-10 or an E-85 blend.

Senator Lee called for opposing testimony.

Mike Rud, representing the North Dakota Petroleum Marketing Association testified in opposition to SB 2282. His testimony is attached along with additional information # 4.

Senator Potter said he was bewildered by his opposition to this bill. He doesn't see anything in the bill that has a penalty provision or that forces retailers to do anything.

Mr. Rudd said there is nothing but he stated if they were going to be competitive and everyone is going to be on the same playing field, it needs to be a free market system. Some marketers, even with the incentives will not be able to afford to be a part of this process. It will create an unfair playing field amongst our marketers.

Senator Lee said that to be eligible for these credits you would need to be able to sell 200,000 gallons per year. Is that a figure that most retailers would meet?

Mr. Rud said aren't we exempted if we sell under 200,000. Are average retail sight is 500,000 or more.

Paul Goulding a retailer from Devils Lake testified against SB 2282. He had four points he wanted to make:

1. As a marketer, I can't attain the goals after the first year.
2. The tax credit will not do me any good.
3. Better to give the incentives to consumers.
4. We want to be free to make our own decisions.

Matt Bjornson of Cavalier testified in opposition to SB 2282. The tax credit is useless to our family owned business. He said he needed more income not tax breaks. He also expressed concern for regulations and violations and high penalties that EPA has. When you have a

marketer and a consumer both subjected to fines, that is very serious. If they find a violation they will levee a fine. He said he felt the bill was well intentioned but this bill is not properly aimed at the right people.

Russ Hanson, Association of General Contractors of North Dakota said he was greatly concerned about the Highway Fund money. There is a considerable impact to the highway distribution fund. This is a concern because the gas tax continues to decrease. They are very supportive of looking at other methods besides the traditional method of funding.

Tom Balzer, managing director of the North Dakota Motor Carriers Association testified in opposition to SB 2282. Enclosed find the attached testimony and proposed Amendments.

Page 3, line 18: remove "of at least ten percent blend" after "fuel"

Page 3, line 19: add "D6751 and D975 at blended levels of at least two percent but no greater than five percent" after "testing materials"

Even with the amendments they ask for a do not pass of SB 2282.

Senator Lee closed the hearing on SB 2282.

February 1, 2007 Afternoon Committee Work

Senator Lee opened committee work on SB 2282.

Senator Potter said that the Motor Vehicles Carriers Association would support the bill if on page 3, line 18 the "ten" percent was changed to "two" percent and no more than five.

Senator Nething asked what that would do.

Senator Potter said it would lower the requirements for biodiesel fuel to a level that Tom Balzer of the Motor Carriers Association said is usable in their vehicles. Five percent is as high as they can go without problems of gelling.

Senator Nething said that this only relates to the corporate income tax exemption.

Senator Potter moved an amendment to replace the word "ten" to "two"

Motion was withdrawn.

Senator Nething said that he understands that the cost of the pump is sixty to seventy thousand dollar. He also is empathetic to those who are the distributor or owner of the station. These marketers don't want this bill. He asked why we should ignore there wishes.

Senator Potter said that was his question to them. He doesn't understand why they would be against something that is optional and allows them to take advantage of tax credit.

Senator Nething said that the Marketers said that their profit margin is not large enough to take advantage of the tax credit.

Senator Fiebiger said this bill has nothing in it that is mandatory for the marketers to follow so he can't understand why their association testified against the bill

Senator Lee said that the \$750,000. is unrelated to what most of the bill does. That money is for infrastructure, for changing pumps over to blended pumps or buying new ones.

Senator Lee is still questioning what they mean by infrastructure.

There was further discussion on the fiscal note and the 8 million dollars. Eliminating the motor fuel tax on the ethanol component of blended fuel will equate to reducing the highway funds by an estimated 8.058 Million dollars in the 2007-2009 biennium.

Senator Nething said maybe we should get some funding from the gas tax.

Senator Lee asked the Intern to look into this.

Senator Potter is supportive of the bill even if it is flawed.

Senator Potter moved the amendment 70799.0101 with the addition on page 3; line 18 changes "five" to "two".

Senator Fiebiger seconded the motion.

Senator Lee asked the clerk to take the roll on the amendments for SB 2282.

Do Pass 5-0-1

Senator Nething said that we should explore some options and see if there is any money in the gas tax fund before we take final action.

Senator Lee closed the committee work hearing.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2282

Senate Transportation Committee

Check here for Conference Committee

Hearing Date: February 2, 2007

Recorder Job Number: 2700

Committee Clerk Signature

Jody Wange

Minutes:

Senator Nething moved a Do Not Pass.

Senator Lee opened the committee work on SB 2282 relating to renewable energy research council renewable fuels grants, flexible fuel vehicle registration fees, motor vehicle fuel tax on ethanol-blended fuel, and corporate income tax credits to promote renewable energy sales and use; to provide an appropriation; to provide an effective date; and to provide an expiration date.

Senator Lee said that there are at least a couple bills left that relate to the same issues and topics and if we didn't pass this we could still amend on to other bills that deal with these same topics.

Senator Bakke asked Senator Nething if he could explain more the Do Not Pass motion.

Senator Nething said his main concern is that we are taking money out of the road construction funds. There is already a shortage in the road construction fund and they are asking that we put in twenty million dollars from the general fund to road construction funds because of the shortage. Also the marketers did not support it. I do like the idea of promoting ethanol and biodiesel but I would like to find a better way to do it.

Senator Bakke said we talked about amending and putting a tax on the ethanol. Would that help?

Senator Lee said that the way the bill is written it will come out of the road fund. He said that we are the protectors of that road trust fund. We have to watch that the roads are cared for.

Senator Potter said he was also troubled by the fiscal note. But he believes that this is more a statement of goals. He thinks that we should let the Appropriations committee sort this out. We should keep this bill alive. Another option is to take out Section 8 and eliminate the exemptions than the fiscal note only becomes \$750,000. The goals would still be there. He said that he was going to be supportive of the bill the way it stands but if we take out some things it might be more acceptable to the whole Senate.

Senator Bakke stated that she was also worried about killing all the renewable fuel bills.

Senator Fiebiger also likes the goal aspects and will support it even if he has a concern about the 8 million.

Senator Lee said he has trouble legislating goals when we are the group that sets policy.

Senator Nething withdrew his motion.

Senator Potter said there are three different things going on in this bill. First it establishes goals, second, the infrastructure incentives and the tax credit in 5 & 6; and third section 8, the corporate income tax for the E-85 even if they said they didn't want it.

Senator Bakke moved an amendment to strike section 8 of 70799.0102 where it says "Tax on ethanol is exempted. So the tax on ethanol will be zero.

Senator Potter seconded the motion.

Senator Bakke said her amendment is to strike section 8 and then renumber the remaining three sections.

Senator Lee said we want to take out sub section 2 of section 7.

Senator Bakke said her intent was to take out number 2 in section 7. That will eliminate the fiscal note for tax credits.

Senator Lee said then the motion will be to take out sub section 2 of section 7.

Senator Bakke moved that we amended the amended bill by removing sub section 2 on section 7 of amendment 70799.0102.

Senator Potter seconded the motion.

Senator Lee asked the clerk to call the roll. 5-0-1

Motion carried.

Senator Potter moved a Do Pass as amended.

Senator Fiebiger seconded.

Senator Lee asked the clerk to call the roll. 4-1-1

Senator Potter will carry the bill.

FISCAL NOTE
 Requested by Legislative Council
 02/05/2007

Amendment to: SB 2282

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				(\$63,000)		
Expenditures						
Appropriations				\$750,000		

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			(\$23,000)	(\$14,000)				

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Eng. SB 2282 establishes renewable fuels goals, reduces registration fees for flex fuel vehicles, and creates income tax credits for the sale of ethanol and biodiesel.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 3 provides a reduction in registration of \$10 for each flex fuel vehicle. Assuming there are 10,000 qualifying vehicles, this section would reduce highway distribution, county and city revenue by \$100,000 in the 2007-09 biennium.

Sections 5 and 6 create corporation income tax credits for the sale of ethanol and biodiesel. The reduction in state general fund revenues that would occur is unknown.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Sections 3 is expected to reduce highway funds by an estimated \$100,000 in the 2007-09 biennium.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Section 7 appropriates \$750,000 from the renewable energy development fund to the industrial commission.

Name:	Kathryn L. Strombeck	Agency:	Office of Tax Commissioner
Phone Number:	328-3402	Date Prepared:	02/12/2007

FISCAL NOTE

Requested by Legislative Council

01/17/2007

Bill/Resolution No.: SB 2282

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				(\$5,140,000)		
Expenditures						
Appropriations				\$750,000		

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			(\$1,876,000)	(\$1,142,000)				

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB 2282 establishes renewable fuels goals, reduces registration fees for flex fuel vehicles, creates income tax credits for the sale of ethanol and biodiesel, and eliminates the motor fuels tax on the ethanol component of blended fuel.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 3 provides a reduction in registration of \$10 for each flex fuel vehicle. Assuming there are 10,000 qualifying vehicles, this section would reduce highway distribution, county and city revenue by \$100,000 in the 2007-09 biennium.

Sections 5 and 6 create income tax credits for the sale of ethanol and biodiesel. The reduction in state general fund revenues that would occur is unknown.

Section 7 allows tax credits to be claimed on the individual income tax Form ND-1. However, it is unclear what tax credits are intended (section references appear to be incorrect).

Section 8 eliminates the motor fuels tax on the ethanol component of blended fuel. This is expected to reduce highway funds by an estimated \$8.058 million in the 2007-09 biennium.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Sections 3 and 8 are expected to reduce highway funds by an estimated \$8.158 million in the 2007-09 biennium.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a*

continuing appropriation.

Section 9 appropriates \$750,000 from the renewable energy development fund to the industrial commission.

Name:	Kathryn L. Strombeck	Agency:	Office of Tax Commissioner
Phone Number:	328-3402	Date Prepared:	01/31/2007

PROPOSED AMENDMENTS TO SENATE BILL NO. 2282

Page 1, line 3, after the first comma insert "and" and remove ", a new subsection to section 57-38-30.3, and a"

Page 1, line 4, remove "new section to chapter 57-43.1"

Page 1, line 5, remove "motor vehicle fuel"

Page 1, line 6, remove "tax on ethanol-blended fuel,"

Page 1, line 7, after "use" insert "; to amend and reenact section 57-43.1-02 of the North Dakota Century Code, relating to exemption of ethanol from motor vehicle fuels taxes"

Page 2, line 26, replace "40,000" with "25,000"

Page 2, line 27, replace "80,000" with "38,500"

Page 2, line 28, replace "120,000" with "50,000"

Page 2, line 29, replace "160,000" with "65,000"

Page 3, line 1, replace "E10 fuel and E85" with "ethanol-blended"

Page 3, line 2, remove "based upon the following"

Page 3, line 3, remove "schedule in cents per gallon of the taxpayer's direct costs incurred after December 31, 2006."

Page 3, line 4, after "the" insert "retail"

Page 3, line 17, remove "of the taxpayer's direct costs incurred after December 31, 2006."

Page 3, line 18, replace "ten" with "five"

Page 3, replace lines 24 through 31 with:

"SECTION 7. AMENDMENT. Section 57-43.1-02 of the North Dakota Century Code is amended and reenacted as follows:

57-43.1-02. (Contingent expiration date - See note) Tax Imposed on motor vehicle fuels.

1. Except as otherwise provided in this section, a tax of twenty-three cents per gallon [3.79 liters] is imposed on all motor vehicle fuel sold or used in this state.
2. Sale of E85 fuel is exempt from the tax imposed under subsection 1 and is instead subject to a tax of one cent per gallon [3.79 liters] on all E85 fuel sold or used in this state. The tax imposed under this subsection is not

subject to refund under section 57-43.1-03 or 57-43.1-03.1. Within the scope of this section, the entire amount of this tax exemption must be available to consumers of E85.

3. A supplier or distributor shall remit the tax imposed by this section on motor vehicle fuel used, on the wholesale distribution of motor vehicle fuel to a retailer, and on direct sales of motor vehicle fuel to a consumer.
4. The tax imposed by this section does not apply on a sale by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on an export, or on a sale to an exempt consumer.
5. The person required to remit the tax imposed by this section shall pass the tax on to the retailer and to the consumer. A retailer who paid the tax to the supplier or distributor shall pass the tax on to the consumer.
6. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the motor vehicle fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
7. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

(Contingent effective date - See note) Tax imposed on motor vehicle fuels.

1. Except as otherwise provided in this section, a tax of twenty-three cents per gallon [3.79 liters] is imposed on all motor vehicle fuel sold or used in this state.
2. Sale of ethanol is exempt from the tax imposed under subsection 1 if it is blended with taxable motor vehicle fuel.
3. A supplier or distributor shall remit the tax imposed by this section on motor vehicle fuel used, on the wholesale distribution of motor vehicle fuel to a retailer, and on direct sales of motor vehicle fuel to a consumer.
- ~~3.~~ 4. The tax imposed by this section does not apply on a sale by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on an export, or on a sale to an exempt consumer.
4. 5. The person required to remit the tax imposed by this section shall pass the tax on to the retailer and to the consumer. A retailer who paid the tax to the supplier or distributor shall pass the tax on to the consumer.
- ~~5.~~ 6. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the motor vehicle fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is

postmarked by the United States postal service or other postal carrier service before midnight of the due date.

- ~~6-~~ 7. The commissioner shall pay over all of the money received during each calendar month to the state treasurer."

Page 4, line 6, replace "This" with "Sections 5 and 6 of this" and replace "is" with "are"

Page 4, line 7, after the period insert "Section 7 of this Act is effective for taxable events occurring after June 30, 2007."

Page 4, line 8, replace "through" with "for taxable years beginning before January 1, 2013"

Page 4, line 9, remove "December 31, 2012"

Renumber accordingly

Date: 2-1-07
Roll Call Vote #: ~~50~~
5-0-1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2282

Senate Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number 70799.0101 plus change "ten" to "two"

Action Taken move to amend - do pass

Motion Made By Senator Potter Seconded By Senator Fiebiger

Senators	Yes	No	Senators	Yes	No
Chairman Gary Lee	✓		Senator JoNell Bakke	✓	
V Ch John Andrist			Senator Tom Fiebiger	✓	
Senator Dave Nething	✓		Senator Tracy Potter	✓	

Total (Yes) 5 No 0

Absent 1

Floor Assignment _____

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

Date: 2-2-7
Roll Call Vote #: 5-0-1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2282

2nd Amendment

Senate Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number Amendment

Action Taken do pass

Motion Made By Senator Bakke Seconded By Senator Potter

Senators	Yes	No	Senators	Yes	No
Chairman Gary Lee	✓		Senator JoNell Bakke	✓	
V Ch John Andrist			Senator Tom Fiebiger	✓	
Senator Dave Nething	✓		Senator Tracy Potter	✓	

Total (Yes) 5 No 0

Absent 1

Floor Assignment _____

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

Date: 2-2-07
Roll Call Vote #: 4-1-1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2242

Senate Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number 70799.0102

Action Taken Do pass as Amended

Motion Made By Senator Potter Seconded By Senator Fiebiger

Senators	Yes	No	Senators	Yes	No
Chairman Gary Lee		✓	Senator JoNell Bakke	✓	
V Ch John Andrist			Senator Tom Fiebiger	✓	
Senator Dave Nething	✓		Senator Tracy Potter	✓	

Total (Yes) 4 No 1

Absent 1

Floor Assignment Senator Potter

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

REPORT OF STANDING COMMITTEE

SB 2282: Transportation Committee (Sen. G. Lee, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE REREFERRED to the Appropriations Committee (4 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). SB 2282 was placed on the Sixth order on the calendar.

Page 1, line 3, after the first comma insert "and" and remove ", a new subsection to section 57-38-30.3, and a"

Page 1, line 4, remove "new section to chapter 57-43.1"

Page 1, line 5, remove "motor vehicle fuel"

Page 1, line 6, remove "tax on ethanol-blended fuel,"

Page 2, line 26, replace "40,000" with "25,000"

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Page 3, line 4, after "the" insert "retail"

Page 3, line 17, remove "of the taxpayer's direct costs incurred after December 31, 2006,"

Page 3, line 18, replace "ten" with "two"

Page 3, remove lines 24 through 31

Page 4, line 6, replace "This" with "Sections 5 and 6 of this" and replace "is" with "are"

Page 4, line 8, replace "through" with "for taxable years beginning before January 1, 2013"

Page 4, line 9, remove "December 31, 2012"

Renumber accordingly

2007 SENATE APPROPRIATIONS

SB 2282

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2282

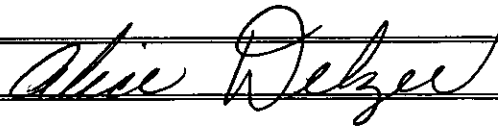
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02-13-07

Recorder Job Number: 3463

Committee Clerk Signature



Minutes:

Chairman Holmberg opened the hearing on SB 2282 on February 13, 2007 regarding renewable energy.

Senator Joel Heitkamp, District 26 gave oral testimony in support of SB 2282. Some of the highlights of his testimony included the fact this bill sets out goals, not mandates. He referred to renewable fuel, vehicle registration goals, E 85 and Blender pumps for the future, Energy Development Fund, He explained the sections of the bill to the committee.

Senator Holmberg asked how many wanted to testify in opposition to the bill and how many in support of the bill. He stated If anyone did not wish to testify but want to register either in favor of or against the bill to please sign the sheet that is being passed around.

Senator Bowman had questions regarding spending money listed in the fiscal note for goals.

Senator Fischer had questions regarding Ethanol. He was informed that retailers are here in the meeting and they will speak in opposition to the bill but I am sure one of them can address your questions.

Senator Bowman Do I understand you right that we will spend the amount on the fiscal note to set goals for other forms of energy?

Senator Heitkamp commented that you have 750 million dollars invested to move the product. Part of the problem is it is not so easy to take those E85 pumps and turn them into blender

