

2009 SENATE POLITICAL SUBDIVISIONS

SB 2335

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2335

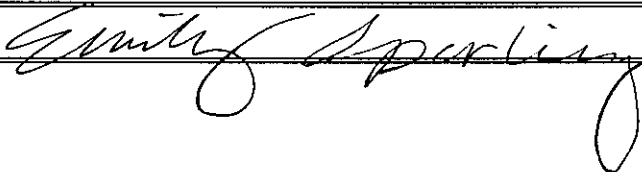
Senate Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: 01/30/2009

Recorder Job Number: 2335

Committee Clerk Signature



Minutes:

Senator Dotzenrod Introduced SB 2335. See attachment #1 for additional information. He spoke about the trend that is occurring across the state of retail stores moving from the rural areas into the larger cities. The few stores that remain in smaller towns are in need of repair. The Department of Commerce has several programs but none of them go far enough. He gave an example of the matching grant program in Lisbon. This bill would provide money to smaller town to pay for materials only to do renewal projects. He is not sure if the numbers should be adjusted but at this point there would be 25 grants of 10,000 each. This bill would require local effort. The Department of Commerce sees this bill as feasible though they offer neutral testimony.

Senator Olafson Is it your intent that the grants go to the cities or could the cities pass that onto individuals?

Senator Dotzenrod The intent is that it not go to specific individuals but something similar to a renaissance zone.

Chairman Andrist But this is not necessarily limiting? One person could get much of the money.

Senator Dotzenrod That is conceivable and possible but not very likely. The city must be involved, we do not want this to be a one to one arrangement. We do not want one person to take all the money.

Chairman Andrist My sense is that there will be more than 25 counties interested in this money, would the department limit it to the first 25 or lower the minimum grant to 5,000?

Senator Dotzenrod I had not imagined that problem but I would not want to speculate at this point.

Jerry Hjelmstad League of Cities. Provided information. I think this program would be much appreciated by many of our member cities. Our only question is about population threshold as people wonder how that number was decided. There are only 12 cities that are over 5,000 in population. There are three in the 5-10,000 range: Devils Lake-7,222, Whapeton-8586, and Valley City-6826. There are 357 incorporated cities with the median population at 180.

Chairman Andrist I think the threshold may be too high.

Hjelmstad Maybe, the dollars would certainly be more important to a small community.

Senator Olafson Could you put together an information packet for us?

Hjelmstad I may be able to do that. See attachment #2.

Paul Govig Deputy Commissioner at the Department of Commerce. We are neutral but I can say we could easily roll this program into our current programming. The major difference I see is that this is an actual grant program. I do think we would use this money very quickly; there would be a lot of demand. We could come up with criteria to help distribute the money.

Senator Lee Do you see this as being effective if it were turned into a revolving loan fund?

Govig Yes, but sometimes we just need to get the money out to prime the pump.

Senator Lee So if we had these grants and someone where to be doing a larger project, would there be more money available beyond the initial grant? Maybe use this as seed money and move beyond it with other funding.

Govig There is a combination. Larger communities (2000+) often have renaissance zones or have the capability to create those zones and have tax credits for those programs. A grant program would be excellent in smaller communities. The bigger projects could be taken care of with small loans.

Senator Lee There wouldn't be anything that would prevent them from using this money to start and then move to other funding?

Govig We'd like to start with this money and then grow from that, we do not want to put parameters on the money.

Chairman Andrist I don't think any of our cities are over 1,500. Is the 8,000 threshold too high? Or should we give priority to smaller communities at the beginning of the program?

Govig I agree, I think in general in smaller communities the harder it is to get some of these things done. Typically these communities have less revenue. If there is a consensus that there needs to be a focus on rural areas, we could sure do that.

Senator Anderson I like it, let's see what happens.

Senator Lee In order to be consistent with your other programs, would there be a natural number that you would see as a population threshold?

Govig The 8,000 number is used with the Rural Revolving Loan but as far as a number, we have many different numbers with many different programs. We'd like to make things consistent but that can be difficult.

Chairman Andrist Would you have the ability and time to evaluate applicants? Would you have the policy of first come first serve or distribute based on merit.

Govig I think we have a number of options. We could do first come first serve. We would like to see it distributed across the state. We might be interested in having some sort of scoring mechanism so that we could spread it a little more evenly. I don't have specifics.

Senator Lee In the first 25 we might find that not all of them are pearls. I would like to enable them to make some sort of criterion for evaluating these projects.

Brief discussion about scoring and evaluating

Senator Lee Jerry, do you see a natural break?

Hjelmstad I am not sure if there is a natural break or threshold.

Brief discussion about where a natural break or threshold in populations may occur

Senator Olafson I think 5,000 is a natural cut off.

Senator Dotzenrod I picked 8,000 due to the Rural Revolving Loan Fund

There was no opposition testimony.

Senator Lee I move an **amendment** to adjust population to 5,000 and to allow the Department of Commerce to develop criteria for evaluation.

Senator Olafson Second

The Clerk called the role on the **Amendment. Yes: 6, No: 0, Absent: 0.**

Senator Bakke I move **Do Pass as Amended and Re-refer to Appropriations.**

Senator Anderson Second

The Clerk called the role on the motion to **Do Pass as Amended. Yes: 6, No: 0, Absent: 0.**

Senator Dotzenrod will carry the bill.

Date: 1/30/09
Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2335

Senate Political Subdivisions Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass Do not pass Amend

Motion Made By D. J. Lee Seconded By D. Olafson

Senators	Yes	No	Senators	Yes	No
Chairman John M. Andrist	/		Senator Arden C. Anderson	/	
Vice Chairman Curtis Olafson	/		Senator JoNell A. Bakke	/	
Senator Judy Lee	/		Senator Jim Dotzenrod	/	

Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

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

To lower population limit to 5,000 and include language allowing department of commerce to set criteria.

Date: 1/30/09
Roll Call Vote #: 2

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2335

Senate Political Subdivisions Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass Do not pass Amend other

Motion Made By J. Bakke Seconded By J. Anderson

Senators	Yes	No	Senators	Yes	No
Chairman John M. Andrist	/		Senator Arden C. Anderson	/	
Vice Chairman Curtis Olafson	/		Senator JoNell A. Bakke	/	
Senator Judy Lee	/		Senator Jim Dotzenrod	/	

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Dotzenrod

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

Refer to approp.

REPORT OF STANDING COMMITTEE

SB 2335: Political Subdivisions Committee (Sen. Andrist, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2335 was placed on the Sixth order on the calendar.

Page 1, line 7, replace "8,000" with "5,000"

Page 1, line 11, after the period insert "The department of commerce may develop grant criteria to best utilize the available funds."

Renumber accordingly

2009 SENATE APPROPRIATIONS

SB 2335

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2335

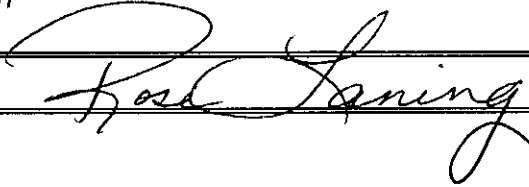
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: February 10, 2009

Recorder Job Number: 9137

Committee Clerk Signature



Minutes:

Chairman Holmberg called the committee hearing to order on SB 2335 which provides an appropriation to the Department of Commerce for grants to cities for commercial business improvement projects.

Senator Dotzenrod, District 26 read the bill and gave an overview of it. Handout from the Department of Commerce shows that there isn't anything in their budget that fits this need.

The handout shows the activities of the Dept. of Commerce. Lisbon has had a development project a renaissance project downtown. They are working with downtown business and doing storefront improvements. They are providing matching money to businesses to do these improvements. We don't really have anything of this nature. This is one way to do that. The bill is simple and straight forward. Department of Commerce is not in the governor's budget.

Chairman Holmberg We are working with Dept. of Commerce on their budget and we had a briefing from the division of community services which talked about the stimulus package. Under CDBG, the house version would add 6.1 M to that. You don't care where money comes from, do you?

Senator Dotzenrod The revenue is not a concern. I'd like to see something approved.

Goren LaFrance, Department of Commerce testified as Neutral on the bill, but they will manage the bill and spend money according to wishes.

Chairman Holmberg asked for anymore testimony. Hearing none he said that they would send this to Commerce budget. He said they couldn't appropriate money that they didn't have yet. This all depends on if House version passes.

Chairman Holmberg closed the hearing on SB 2335. (17.27)

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2335

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: February 18, 2009

Recorder Job Number: (no audio available)

Committee Clerk Signature

Rae Laning

Minutes:

Chairman Holmberg opened discussion on SB 2335.

V. Chair Grindberg moved Do Not Pass.

Senator Krebsbach seconded.

V. Chair Grindberg explained bill.

A Roll Call vote was taken. Yea: 13 Nay: 1 Absent: 0

Date: 2-18-09
Roll Call Vote #:

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2335

Senate Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended

Motion Made By Grindberg Seconded By Krebsbach

Representatives	Yes	No	Representatives	Yes	No
Senator Wardner	✓		Senator Robinson	✓	
Senator Fischer	✓		Senator Lindaas	✓	
V. Chair Bowman	✓		Senator Warner	✓	
Senator Krebsbach	✓		Senator Krauter	✓	
Senator Christmann	✓		Senator Seymour	✓	
Chairman Holmberg	✓		Senator Mathern		✓
Senator Kilzer	✓				
V. Chair Grindberg	✓				

Total Yes 13 No 1

Absent 0

Floor Assignment Holmberg

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

DNP

REPORT OF STANDING COMMITTEE (410)
February 18, 2009 1:22 p.m.

Module No: SR-32-3305
Carrier: Holmberg
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2335, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO NOT PASS** (13 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). Engrossed SB 2335 was placed on the Eleventh order on the calendar.

2009 TESTIMONY

SB 2335



PROGRAMS AND SERVICES

The North Dakota Department of Commerce is the lead agency charged by the Governor and Legislature with growing our state and improving the quality of life for our people. Commerce currently provides over 50 programs and services, and that number has more than doubled since the department's inception in 2001. As a result of recent legislative sessions, Commerce also has taken a lead role in these initiatives:

- **Business Hotline**
- **Developer Certification Program**
- **EmPower North Dakota**
- **Knew View Information Program**
- **Renewable Energy Council**

GRANTS AND FINANCING PROGRAMS

Agriculture Products Utilization

Commission (APUC) – Creates wealth and jobs through development of new and expanded uses of North Dakota's agricultural products by administering these grant programs on a quarterly basis: basic and applied research grants; marketing and utilization grants; farm diversification grants; nature-based agri-tourism grants; technical assistance grants; and an agricultural prototype development grant program.

Community Development Block

Grants (CDBG) – Provides financial assistance to eligible units of local government with the primary beneficiaries being very low and low-income individuals. Examples of projects funded include housing, public facilities and economic development.

***New Venture Capital Program** – Provides loan or equity funding for early stage, North Dakota-based companies which can show clear proof of completed product development and market acceptance as evidenced by growing sales.

North Dakota Development Fund – Provides flexible gap financing through debt and equity investments for new or expanding North Dakota primary sector businesses.

North Dakota Rural Revolving Loan – Provides gap financing to primary sector businesses, with the exception of production agriculture, located in communities of 8,000 people or less.

***Partners in Marketing** – Provides grants of up to \$25,000 per biennium to local professional economic development organizations for marketing activities that promote primary sector business or workforce attraction, retention or expansion.

***Tourism Infrastructure Grants** – Provides grants for local non-profit organizations to fund infrastructure and building needs at new or expanding tourist and recreational facilities.

Tourism Matching Grants – Creates opportunities for tourism and community partners to expand their marketing or event promotions.

***Workforce Enhancement Grants** – Provides funding for higher education institutions to help create or enhance training programs that address workforce needs of private sector employers in North Dakota.

COMMUNITY SERVICES

Americans with Disabilities Act – Provides technical assistance to private and public agencies to help them meet requirements and provisions of the Act.

Building Codes – Updates and amends the North Dakota State Building code.

Community Food and Nutrition Program – Supports projects to meet nutrition needs and coordinates private and public food assistance resources for low-income populations through grants from the US Department of Health and Human Services.

Community Services Block Grants – Provides assistance through Community Action Agencies to implement locally designed anti-poverty programs including emergency assistance, money management and housing, counseling, self-sufficiency services, case management, and outreach and referral services to low-income households and people.

Consolidated Plan – Contains a description of the state housing and community development needs and resources, establishes strategies, and prioritizes the use of housing and community development dollars state-wide and by planning region.

Emergency Shelter Grants Program – Provides federal financial assistance to facilities and programs within North Dakota which provide temporary shelter to homeless individuals.

HOME Program – Creates partnerships among governmental entities and the private sector to make affordable housing available to low-income individuals.

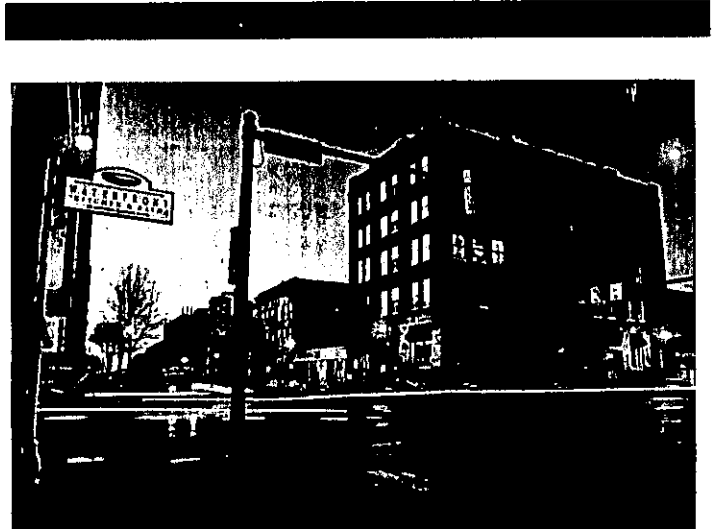
***Manufactured Home Installation Program** – Manages inspection program for new manufactured homes installed in North Dakota.

***Modular Buildings: Third-Party Inspection** – Manages inspection for modular residential structures.

***Office of Renewable Energy and Energy Efficiency** – Promotes energy efficiency in both the public and private sector, and facilitates the development and use of renewable energy sources within the state.

Renaissance Zone – Encourages reinvestment and redevelopment of downtown areas to attract new businesses and improve housing.

Weatherization Assistance – Increases the energy efficiency of dwellings owned or occupied by low-income individuals to reduce their total residential energy expenditures and improve their health and safety.



TOURISM

Advertising and Marketing – Promotes North Dakota and its Legendary brand through development and distribution of promotional materials, mixed media and advertising involving print, radio, TV and online. The website is the most powerful promotions tool with more than 390,000 unique visitor annually. Cooperative advertising opportunities are also developed and distributed with state partners.

***Culture and Heritage Marketing** – Highlights and celebrates the state's regional differences, unique history, ethnic cultures and more in a statewide program, also involving promotion of the Lewis & Clark Trail.

Group Travel – Allows groups to adventure together through North Dakota by providing assistance with planning, expanding or building tours within the state.

International Travel – Promotes the state in the Nordic countries of Norway, Sweden, Denmark, Finland and Iceland, Germany, as well as Australia.

***Learning-Based Vacations** – Caters to groups or individuals looking to combine fun and learning into their customized North Dakota vacation.

Literature Distribution – Distributes brochures, guides, maps and more through tourism industry partners, at highway rest areas and via the Web site to potential state visitors.

Outdoor Promotions – Promotes the state's outdoor activities and adventures through representation at sport shows, working with adventure writers and through niche publication advertising.

Public and Media Relations – Provides complete information of what North Dakota offers to the media and visitors through news releases and familiarization tours. Proactively encourages feature stories of North Dakota and works with writers and photographers on their North Dakota stories.

ECONOMIC DEVELOPMENT AND FINANCE

***Ambassadors Program** – Arms North Dakota's 2,100+ volunteer sales force with positive information about the state.

Business Development – Partners with communities to implement business development strategies targeted toward start-up, expansion and new companies relocating to North Dakota.

Business Retention and Expansion – Supports local partners to retain and expand North Dakota's existing companies and creates linkages that result in new contract manufacturing relationships between in-state and out-of-state companies.

***Centers of Excellence** – Delivers hubs of research and technology that combine education and economic development at North Dakota's 11 public colleges and universities.

***Innovate ND** – Provides direct assistance to North Dakota people who have business ideas through online entrepreneur education, coaching and mentoring from proven business owners.

Research – Provides business information and market research including industry background, company background and demographics, as well as managing databases related to companies, communities and available buildings.

www.ndbusiness.com – Provides the most current data for business in North Dakota; offers enhanced web-enabled tools to strengthen community and statewide marketing delivery, and promotes business connections for companies operating in North Dakota.

WORKFORCE DEVELOPMENT

***AmeriCorps** – Engages volunteers in direct service help communities address critical unmet needs in the areas of education, public safety, health and the environment.

***Career Promotion** – Develops a comprehensive, integrated network of state agencies, education, businesses, trade associations and organized labor to develop, define, and deliver career promotion services to students, parents and teachers which will ensure they are aware of North Dakota career opportunities.

***Community Labor Availability Studies** – Provides matching funds to communities who participate in Standardized Community Labor Availability Studies which identify core data elements including consistent standards for conducting the surveys and timeframes for keeping them current.

***Experience North Dakota** – Aims at attracting former North Dakotans and others to fill state job openings while enhancing the state's image.

Industry Sector Workforce Needs and Skill Assessments – Provides matching funds to industry trade associations who participate in Standardized Workforce Needs and Skill Assessment Studies to identify current and projected skill shortage occupations and the required education, skills and competencies.

***North Dakota Talent Initiative** – Improves the quality and quantity of training and education programs to expand, attract, retain and gain the skills needed to fill available job opportunities.

***Office of Faith-Based and Community Initiatives** – Connects faith-based and community organizations with resources to help address critical local community service gaps in areas such as workforce, education, public safety, health and the environment.

***Operation Intern** – Connects North Dakota higher education students with North Dakota businesses that offer work experience and career opportunities with internships.

***State Commission on National and Community Service** – Connects North Dakotans with community service organizations to help address critical local issues or problems in areas such as education, public safety, health and the environment.

Workforce Development Council – Supports efforts to increase employment, retention, earning, and occupational skills to improve workforce quality, reduce welfare dependency, and enhance productivity and competitiveness through statewide and local workforce investment systems.

***Workforce Intelligence Council** – Improves workforce intelligence coordination to ensure it is responsive in addressing the needs of policy leaders, state agencies, and institution and program administrators of workforce training and talent attraction programs of the state.

Youth Development Council – Makes recommendations on youth employment and training policy as a permanent standing committee of the North Dakota Workforce Development Council.

PARTNER PROGRAMS

***American Indian Business Development Office**
Center for Technology and Business
Dakota Manufacturing Extension Partnership

North Dakota Rural Development Council
***North Dakota Trade Office**
Small Business Development Centers



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NORTH DAKOTA CITIES

City Population	Number of Cities
0-99	123
100-199	63
200-299	42
300-399	19
400-499	11
500-599	11
600-699	11
700-799	8
800-899	9
900-999	8
1,000-1,499	22
1,500-1,999	10
2,000-2,999	6
3,000-3,999	1
4,000-4,999	1
5,000-5,999	0
6,000-6,999	1
7,000-7,999	1
8,000-8,999	1
9,000-9,999	0
10,000-14,999	2
15,000-19,999	3
20,000-29,999	0
30,000-39,999	1
40,000-49,999	1
50,000-59,999	1
60,000-69,999	0
70,000-79,999	0
80,000-89,999	0
90,000-99,999	1
100,000+	0
Total	357