

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1019

That the Senate recede from its amendments as printed on pages 1210-1212 of the House Journal and pages 1078-1080 of the Senate Journal and that Engrossed House Bill No. 1019 be amended as follows:

Page 1, line 3, after the second semicolon insert "to authorize a mutual fund capital pool; to create and enact a new subsection to section 54-44.3-20 of the North Dakota Century Code, relating to excepting officers and employees of the department of economic development and finance from the state classified service;", after "sections" insert "4-14.1-03.1", and after "4-14.1-07" insert a comma

Page 1, line 4, after "to" insert "grant repayments and"

Page 1, line 5, after "purposes" insert "; to provide for a legislative council study; to provide legislative intent"

Page 1, line 13, replace "2,358,086" with "2,548,086"

Page 1, line 14, replace "2,008,447" with "2,158,447"

Page 1, line 15, replace "66,358" with "96,358"

Page 1, line 16, replace "1,078,061" with "1,968,061"

Page 1, remove line 17

Page 1, line 18, replace "800,000" with "750,000"

Page 1, line 20, replace "10,896,863" with "11,506,863"

Page 1, line 22, replace "7,203,788" with "7,813,788"

Page 1, after line 22, insert:

**"SECTION 2. APPROPRIATION.** There is hereby appropriated out of any moneys in the agricultural fuel tax fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to the agricultural products utilization commission for the purpose of obtaining assistance in resolving beef industry trade issues, for the biennium beginning July 1, 1999, and ending June 30, 2001. Notwithstanding any other provisions of law, the agricultural products utilization commission may use these funds to obtain the assistance of the ranchers and cattlemen action legal foundation."

Page 3, line 16, replace "\$800,000" with "\$750,000"

Page 4, after line 6, insert:

**"SECTION 10. AMENDMENT.** Section 4-14.1-03.1 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**4-14.1-03.1. Agricultural products utilization commission - Authority.** The North Dakota agricultural products utilization commission may apply for, accept, and expend any appropriation, grant, gift, or service made available from public or private sources consistent with the purpose of this chapter. The commission may administer grant programs consistent with the purpose of this chapter including a basic and applied research grant program, utilization and marketing grant program, cooperative marketing grant program, farm diversification grant program, agricultural prototype development grant program, and a North American marketing grant program. The commission may require, by contract, repayment of a grant, in whole or in part, if the grant recipient does not fulfill the conditions under which the grant was awarded."

Page 4, line 14, replace "seven" with "twelve"

Page 4, line 21, overstrike "one million" and insert immediately thereafter "seven hundred fifty thousand"

Page 4, line 22, overstrike "An ethanol plant that was in operation before July 1,"

Page 4, overstrike lines 23 through 27

Page 4, after line 27, insert:

**"SECTION 12.** A new subsection to section 54-44.3-20 of the 1997 Supplement to the North Dakota Century Code is created and enacted as follows:

Officers and employees of the department of economic development and finance."

Page 5, after line 16, insert:

**"SECTION 14. MUTUAL FUND CAPITAL POOL - AUTHORIZATION.** The department of economic development and finance, in conjunction with the agricultural products utilization commission, may establish a mutual fund capital pool to attract farm and nonfarm investments in value-added processing projects.

**SECTION 15. APPROPRIATION - CONTINGENT ETHANOL INCENTIVE PAYMENTS.** In addition to the ethanol incentive payments provided in section 1 of this Act and notwithstanding any other sections of law, there is hereby appropriated \$300,000, or so much of the sum as may be necessary, from the highway tax distribution fund for the biennium beginning July 1, 1999, and ending June 30, 2001, for the purpose of providing production incentives to any ethanol plant that becomes operational after July 1, 1999. An eligible plant shall receive ten cents for each gallon of agriculturally derived fuel as defined in this Act produced in the state which is marketed by the producing plant to a distributor or wholesaler for sale within North Dakota.

**SECTION 16. LEGISLATIVE COUNCIL STUDY - ECONOMIC DEVELOPMENT AND FINANCE EFFORTS.** The legislative council shall consider studying during the 1999-2000 interim the economic development efforts in the state, including the provision of economic development services statewide and the related effectiveness, the potential for the privatization of the department of economic development and finance, and the appropriate location of the North Dakota development fund, including the potential transfer of the fund to the Bank of North Dakota.

**SECTION 17. LEGISLATIVE INTENT - GRANT ALLOCATION - UNITED STATES DEPARTMENT OF AGRICULTURE DESIGNATED CHAMPION COMMUNITIES.** It is the intent of the legislative assembly that \$50,000 of the grants line item in section 1 of this Act be allocated to provide matching funds on a

dollar-for-dollar basis to United States department of agriculture designated champion communities for the funding of an economic development coordinator employed by the champion communities to assist in economic development. Local matching funds may be in cash or in-kind contributions.

**SECTION 18. LEGISLATIVE INTENT - GRANTS LINE ITEM.** It is the intent of the legislative assembly that \$150,000 of the grants line item in section 1 of this Act be available for the manufacturing technology partnership."

Page 5, line 17, replace "10" with "13"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 601 - DEPARTMENT OF ECONOMIC DEVELOPMENT AND FINANCE

CONFERENCE COMMITTEE - This amendment makes the following changes:

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	CONFERENCE COMPARISON TO SENATE VERSION
Salaries and wages	\$3,041,771	\$2,358,086	\$190,000	\$2,548,086	\$2,798,086	(\$250,000)
Operating expenses	2,158,447	2,008,447	150,000	2,158,447	2,158,447	
Equipment	96,358	66,358	30,000	96,358	96,358	
Grants	1,518,061	1,078,061	890,000	1,968,061	2,308,061	(340,000)
General allocation grants	750,000	600,000	(600,000)			
North Dakota Development Fund	1,000,000	800,000	(50,000)	750,000	550,000	200,000
Agricultural Products Utilization Comm.	4,085,911	3,985,911		3,985,911	4,535,911	(550,000)
Separate section resolving beef trade issues			100,000	100,000	100,000	
Total all funds	\$12,650,548	\$10,896,863	\$710,000	\$11,606,863	\$12,546,863	(\$940,000)
Less special funds	<u>3,695,701</u>	<u>3,693,075</u>	<u>100,000</u>	<u>3,793,075</u>	<u>4,393,075</u>	<u>(600,000)</u>
General fund	\$8,954,847	\$7,203,788	\$610,000	\$7,813,788	\$8,153,788	(\$340,000)
FTE	29.00	26.00	(3.00)	23.00	26.00	(3.00)

Detail of Conference Committee changes to the House version includes:

	RESTORE OPERATING EXPENSES	RESTORE EQUIPMENT	COMBINE GRANTS AND INCREASE BY \$290,000	REDUCE DEVELOPMENT FUND	ADD FUNDING FOR RESOLVING BEEF TRADE ISSUES	RESTORE SALARIES AND WAGES
Salaries and wages						\$190,000
Operating expenses	\$150,000					
Equipment		\$30,000				
Grants			\$890,000			
General allocation grants			(600,000)			
North Dakota Development Fund				(\$50,000)		
Agricultural Products Utilization Comm.						
Separate section resolving beef trade issues					\$100,000	
Total all funds	\$150,000	\$30,000	\$290,000	(\$50,000)	\$100,000	\$190,000
Less special funds					<u>100,000</u>	
General fund	\$150,000	\$30,000	\$290,000	(\$50,000)	\$0	\$190,000
FTE	0.00	0.00	0.0	0.00	0.00	(3.00)

	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	\$190,000
Operating expenses	150,000
Equipment	30,000
Grants	890,000
General allocation grants	(600,000)
North Dakota Development Fund	(50,000)
Agricultural Products Utilization Comm.	
Separate section resolving beef trade issues	100,000
Total all funds	\$710,000
Less special funds	<u>100,000</u>
General fund	\$610,000
FTE	(3.00)

CONFERENCE COMMITTEE - These amendments also make the following changes to Engrossed House Bill No. 1019:

- Extend the number of years that an ethanol plant may receive the incentives, if in operation before July 1, 1995, from seven in the engrossed bill to 12.
- Adjust the maximum production incentive that may be paid annually to \$750,000.
- Provide for contingent ethanol incentive payments of \$300,000 for a plant that becomes operational after July 1, 1999. An eligible plant may receive 10 cents per gallon of agriculturally derived fuel (equivalent 40 cents per gallon for 25 percent of production). (Section 11)
- Provide in Section 2 \$100,000 from the agricultural fuel tax fund for resolving beef trade issues.
- Authorize mutual fund capital pool.
- Allow Economic Development and Finance employees to be exempt from central personnel system.
- Provide for a Legislative Council study of Economic Development and Finance.
- Provide legislative intent regarding funds for United States Department of Agriculture champion communities and the grants line item.