

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2018

Page 1, line 4, after the second semicolon insert "to provide for a report to the sixty-second legislative assembly;"

Page 1, line 5, remove "section to chapter 15-69 and a new"

Page 1, line 6, remove "the establishment of a centers of excellence fund to and"

Page 1, line 8, replace "2" with "3" and after the second "and" insert "subsection 3 of"

Page 4, line 3, replace "**TRANSFER**" with "**AVAILABILITY OF FUNDS**"

Page 4, line 5, replace "\$20,000,000, which" with "\$5,000,000, to" and remove "shall"

Page 4, line 6, remove "transfer to the centers of excellence fund"

Page 4, line 7, after the period insert "The funding in this section is only available if the sixty-second legislative assembly determines that the funding is necessary, for the period beginning January 1, 2011, and ending June 30, 2011."

Page 4, after line 7, insert:

"SECTION 11. EXEMPTION - BUDGET SECTION APPROVAL. Any funding remaining at the end of the 2007-09 biennium of up to \$9,704,568 from the permanent oil tax trust fund appropriated to the office of management and budget in section 14 of chapter 18 of the 2007 Session Laws is not subject to section 54-44.1-11 and may be continued through December 31, 2009. Any expenditures of this funding during the period October 2009 through December 2009 may only be made subject to budget section approval.

SECTION 12. CENTERS OF EXCELLENCE STATE TAX REVENUE IMPACT STUDY - REPORT.

1. During the 2009-11 biennium, the state auditor, in consultation with the tax commissioner and the department of commerce, shall conduct a study of the state tax revenue impact of the centers of excellence program and shall calculate the direct impact of the program on state tax revenues. The study must include an analysis for each center of excellence of the actual matching funds received by source; actual number of private sector jobs created, including information as to whether the jobs would have been created without the center; and new private sector facilities opened as the result of the center. The study must be based on information available to the tax commissioner and the state auditor.
2. During the organizational session of the sixty-second legislative assembly, the state auditor shall submit to the president pro tempore of the senate and the speaker of the house a report on the findings and results of the centers of excellence tax revenue impact study.
3. The tax commissioner shall compile direct tax revenue and expenditure data and provide this data to the state auditor. Notwithstanding the

confidentiality provisions contained in chapters 57-38 and 57-39.2, the tax commissioner shall provide the state auditor the information necessary to accomplish and effectuate the study required by this section. The tax commissioner may request the assistance of the department of commerce as necessary to compile this data.

4. The tax commissioner may establish the procedure and format by which the tax data will be provided to the state auditor. If additional information is needed by the state auditor to calculate the tax impact of the centers of excellence program, the state auditor may contact those taxpayers determined necessary to effectuate the study required by this section.
5. Except as provided in subsection 6, the state auditor may establish the manner in which the centers of excellence impact data will be analyzed, organized, and presented in the report.
6. Confidential information the state auditor receives from the tax commissioner may not be divulged by the state auditor unless the information is in the aggregate and in a manner that will not divulge information specific to any taxpayer."

Page 7, remove lines 26 through 30

Page 8, remove lines 1 and 2

Page 8, replace lines 3 through 31 with:

"SECTION 27. AMENDMENT. Subsection 3 of section 15-69-04 of the North Dakota Century Code is amended and reenacted as follows:

3. In considering whether to approve or disapprove an application, the commission shall determine whether the applicant has conducted the due diligence necessary to put together a viable proposal, the commission shall determine whether the applicant has provided information in the application which clearly outlines how the matching fund requirement will be met, and the commission shall consider whether the center will:
 - a. Use university or college research to promote private sector job growth and expansion of knowledge-based industries or use university or college research to promote the development of new products, high-tech companies, or skilled jobs in this state;
 - b. Create high-value private sector employment opportunities in this state;
 - c. Provide for public-private sector involvement and partnerships;
 - d. Leverage other funding, including cash from the private sector;
 - e. Increase research and development activities that may involve federal funding from the national science foundation experimental program to stimulate competitive research;
 - f. Foster and practice entrepreneurship;

- g. Promote the commercialization of new products and services in industry clusters;
- h. Become financially self-sustaining; and
- i. Establish and meet a deadline for acquiring and expending all public and private funds specified in the application.

SECTION 28. AMENDMENT. Subsection 3 of section 15-69-05 of the North Dakota Century Code is amended and reenacted as follows:

- 3. Before the commission directs the office of management and budget to distribute funds awarded under this chapter, the center shall provide the commission with detailed documentation of private sector participation and the availability of two dollars of matching funds, of which one dollar must be cash from the private sector, for each dollar of state funds to be distributed under this chapter. The matching funds may include funds facilitated through the collaboration of the private sector participants with other funding entities. The noncash matching funds may include ~~a combination of cash and~~ in-kind assets with itemized value. Private sector participation may be established through equity investments or through contracts for services with private sector entities. In making funding recommendations and designation determinations, the commission, board, foundation, and budget section shall give major consideration to the portion of the matching funds provided in cash by the private sector."

Page 9, remove lines 1 through 25

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT - LC 98037.0406 FN 3

A copy of the statement of purpose of amendment is attached.