

MICROFILM DIVIDER

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



ROLL NUMBER

DESCRIPTION

1137

2007 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1137

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1137

House Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: January 22, 2007

Recorder Job Number: 1489

Committee Clerk Signature	
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Minutes:

Chair Keiser opened the hearing on HB 1137.

Shane Goettle, ND Department of Commerce: See written testimony #1.

See proposed amendment.

Rep. Keiser: The bill states that the commission may establish an actual Trade Advisory Board, whereas the other board is pretty much in place. Why the flexibility then?

Shane: I haven't examined that question. I suspect that when it was created, some discretion was given to either do it in house, or contract it out. We chose to contract it out. I think the International Trade Advisory Board is acting as an advisory board to the office itself. I suspect that when the statute was created, either we could have this direct relationship with the board that governs activities, or we could establish an advisory board to do so with discretion.

Merle Powers, State Historical Society: This bill has an impact on the State Historical Board, and I'm here to show our support. We had a very good working relationship with the Commerce Department, and it's a good connection for us.

Rep. Dawn Charging, District 4: I'm here to support HB 1137. The one unparticular section is section 1, as it relates to ND American Indian Business Development Office. In working with our fellow tribes, we need to see what the potentials are for this that we have not yet realized

of the state, one in particular being our 8A status, where the tribes have opportunities to a grant process that allows for them to negotiate with very large contracts, such as the Defense Department.

Rep. Johnson: I move to adopt the amendment.

Rep. Nottestad: Second.

Voice vote was taken, amendment adopted.

Rep. Dosch: I move a do pass, as amended.

Rep. Johnson: Second.

Roll call vote was taken. 11 Yeas, 0 Nays, 3 Absent, Carrier: Rep. Boe

Hearing closed.

FISCAL NOTE
 Requested by Legislative Council
 01/24/2007

Amendment to: HB 1137

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						
Expenditures						
Appropriations						

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

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).*

This bill moves certain offices to the department level; designates the Commissioner of Commerce on certain boards & commissions; changes the scope of the value-added agriculture promotion board; and repeals the natural resources development bond issue & career guidance & job opportunities website.

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 6 makes changes to the value-added agriculture promotion board which may have a minimal fiscal impact that cannot be determined.

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.*

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.*

Adding to the membership of the value-added agriculture promotion board may have a minimal fiscal impact that cannot be determined.

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.*

Name:	Justin Dever	Agency:	Department of Commerce
Phone Number:	328-7258	Date Prepared:	01/24/2007

FISCAL NOTE
 Requested by Legislative Council
 01/02/2007

Bill/Resolution No.: HB 1137

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						
Expenditures						
Appropriations						

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

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).*

This bill moves offices from the Division of Economic Development & Finance to the department level; designates the Commissioner of Commerce on certain boards & commissions; changes the scope of the value-added agriculture promotion board; and repeals the career guidance & job opportunities website.

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 6 changes the scope of the value-added agriculture promotion board. These changes include increasing the membership of the value-added agriculture board from 8 members to between 9 and 11 members; eliminating the value-added agriculture program; and creating duties for the board to serve in an advisory role to the Commissioner of Commerce and meet at times determined by the Commissioner of Commerce.

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.*

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.*

Adding to the membership of the value-added agriculture promotion board may have a minimal fiscal impact that cannot be determined.

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.*

Name:	Justin Dever	Agency:	Department of Commerce
Phone Number:	328-7258	Date Prepared:	01/16/2007

January 22, 2007

**House Amendments to HB 1137 (78150.0101) - Industry, Business and Labor
Committee 01/22/2007**

Page 1, line 10, after "repeal" insert "chapter 21-11 and"

Page 1, line 11, after "to" insert "the natural resources development bond issue," and after
"office" insert a comma

**House Amendments to HB 1137 (78150.0101) - Industry, Business and Labor
Committee 01/22/2007**

Page 8, line 18, replace "Sections" with "Chapter 21-11 and sections"

Renumber accordingly

Date: ~~1-15-07~~ 1-22-07
 Roll Call Vote #: _____

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1137

House Industry Business & Labor Committee _____

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as Amended

Motion Made By Rep Dosch Seconded By Rep Johnson

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	X		Rep. Amerman	X	
Vice Chairman Johnson	X		Rep. Boe		
Rep. Clark	X		Rep. Gruchalla	X	
Rep. Dietrich	X		Rep. Thorpe	X	
Rep. Dosch	X		Rep. Zaiser		
Rep. Kasper	X				
Rep. Nottestad	X				
Rep. Ruby					
Rep. Vigesaa	X				

Total Yes 11 No 0

Absent 3

Floor Assignment Rep Boe

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

REPORT OF STANDING COMMITTEE

HB 1137: Industry, Business and Labor Committee (Rep. Keiser, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). HB 1137 was placed
on the Sixth order on the calendar.

Page 1, line 10, after "repeal" insert "chapter 21-11 and"

Page 1, line 11, after "to" insert "the natural resources development bond issue," and after
"office" insert a comma

Page 8, line 18, replace "Sections" with "Chapter 21-11 and sections"

Renumber accordingly

2007 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1137

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1137

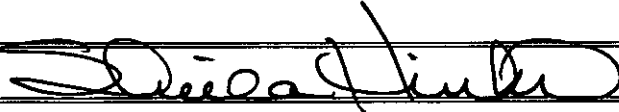
Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: **February 28, 2007**

Recorder Job Number: **4083**

Committee Clerk Signature



International Business and Trade:

Shane Goettle, Commissioner of ND Dept. of Commerce – In Favor

TESTIMONY # 1 *Covered testimony*

S Heitkamp: Go back to section 7, explain why, is that best in your department, practical matter moving too fast. Wasn't this a dispute one time whether that belonged to the Ag dept.?

Shane G: I wasn't part of that history at all. It may be proposed to be part of the Ag Dept. I'm not sure. The first meeting in my term, last November, and informal conversations leading up to the meeting, your real value is in an advisory board.

S Hietkamp: The reason I bring it up, if there is one area you have a lot of potential of something happening, heavy lifting to do, this is it.

Shane G: The commissioner is on the board. Roger Johnson sits on the commissioner.

S Klein: You talked about the development foundation. How many members to we have that sit on that foundation?

Shane G: I think we have 22 members right now. The foundation was instrumental in developing the strategic plan with 5 targeted industries and reviewing the benchmarks and progress of the state. That is their primary function. They raise money for us, and do out of state events. The money sources come from 3 different places.

S Klein: We will have them select from an entire group, not just the executive committee.

Shane G: We were asked to clean up.

S Potter: What structural changes there are in the making the divisions, you're not putting them in the governor's cabinet. Why these 2 divisions: 1. American Indians and 2. women's development division, why not the other divisions? Where's tourism? They're still going to be a division.

Shane G: They are separate organizations. The departments mentioned, it's an effort to raise the department level and allow the governing of these offices.

S Potter: If I get this right, basically this is an evolution, we created this division of commerce and put these divisions together and now we want to blur these lines.

Shane G: Raising the offices up to department level reflects the reality of what we're currently doing anyway.

S Potter: I understand what you're suggesting in the process, the board expanded because they had something to do with it.

Shane G: We went out and picked. Currently Sarah is the best person to sit on the State Historical board. Cleaner process to have the commissioner maybe sit in and helps in administration. We don't propose changes on the board.

S Potter: When the tourism dept. was relegated to becoming a division as proposed to being a department, when you have a dept. status you have a deputy director, that would be the person who would step in in the absence of a director. In the division status, is there still a deputy or just an assistant director in that agency?

Shane G: There is no deputy system in place in any of the divisions right now.

S Potter: Is there an assistant director in them?

Shane G: No

S? O? CLOSE

Motion for a DO PASS S Andrist

S Heitkamp: Can we hold off and check into it a little bit first?

S Klein: Don't mind at all. We want to make everyone comfortable as we move forward and certainly will take that into consideration.

S Heitkamp: There's some neat things and potential dollars.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1137 B

Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: **February 28, 2007**

Recorder Job Number: **4152**

Committee Clerk Signature



International Business and Trade

Motion for a DO PASS from S Hacker

Second from S Heitkamp

Roll Call on a DO PASS for HB 1137 – 6-0-1 Passed

Carrier: S Klein

REPORT OF STANDING COMMITTEE

HB 1137, as engrossed: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1137 was placed on the Fourteenth order on the calendar.

2007 TESTIMONY

HB 1137

#1

**DEPARTMENT OF COMMERCE TESTIMONY ON HB 1137
JANUARY 22, 2007, 8:00 A.M.
HOUSE INDUSTRY, BUSINESS AND LABOR COMMITTEE
PEACE GARDEN ROOM
REPRESENTATIVE GEORGE KEISER, CHAIRMAN**

SHANE GOETTLE – COMMISSIONER, ND DEPARTMENT OF COMMERCE

Good morning, Mr. Chairman, and members of the committee. I am Shane Goettle, Commissioner of the North Dakota Department of Commerce and I am here before you today in support of HB 1137.

HB 1137 was introduced by the Department of Commerce to clean up our statute and modify a few Commerce related programs.

The Department of Commerce was created in 2001. It consists of four divisions, namely: 1) Economic Development & Finance; 2) Tourism; 3) Community Services; and 4) Workforce Development. However, in bringing these agencies together under one roof, some of the divisions' responsibilities were left intact. Most of what we are suggesting in HB 1137 involves raising these division responsibilities to the Department level, where we suggest they belong. The rest of our proposals in HB 1137 are to accurately describe in statute how we are currently doing business.

Section 1 adds three offices to the Department of Commerce that currently are part of the Division of Economic Development and Finance in statute. These are the North Dakota American Indian Business Development Office, the Women's Business Development Office, and the International Business and Trade Office. This change places these offices directly under the Commissioner, which describes how we are currently doing business and relating to these offices. Language is also added to both the American Indian and Women's business development offices to expressly allow for contracting the functions of these offices. We believe we already had this authority, and both offices are currently contracted with partner organizations. We thought it prudent to insert the express power to contract and mirror the language included with the International Business and Trade Office.

Sections 2, 3, 4, and 8 appoint the Commissioner of Commerce or designee to various commissions or boards that currently list one of the division directors within the Department of Commerce as the primary appointee. These include the Agricultural Products Utilization Commission, the North Dakota Development Fund, the North Dakota Low-risk Incentive Fund Governing Board, and the State Historical Board. This change avoids the awkwardness of having a Division Director appointing the Commerce Commissioner to a commission or board as designee. The proposed changes help reinforce the chain of command within the Department of Commerce.

Section 5 removes the North Dakota American Indian Business Development Office and North Dakota Women's Business Development Office from the division of Economic Development and Finance and, again, places them under the Department as a whole and under the direct oversight of the Department Commissioner.

Section 6 makes changes to the Value-Added Agriculture Promotion Board including adding a representative from APUC, up to two additional representatives from the private sector, and appoints the Commissioner of Commerce instead of director of the Division of Economic Development and Finance. This section also changes the scope and duties of the Value-Added Agriculture Promotion Board to specifically serve as an advisory board to the Commissioner of Commerce on issues related to value-added agriculture. Its original purpose was to work directly with value-added agriculture projects, but this simply has not happened for many practical reasons. The value-added agriculture projects occurring in this state are happening so quickly that putting them through the process laid out could actually slow them down instead of helping. I should mention that before suggesting these changes, the Value-Added Agriculture Promotion Board convened last November, 2006, and endorsed these changes.

Section 7 is a change requested by the North Dakota Economic Development Foundation. This change provides for the Chairman, Vice Chairman, Secretary, and Treasurer to be elected directly by the members of the Foundation. The current statute has the members electing an executive committee which in turn elects the leadership. This has proved awkward in practice, and after this last election, the Foundation asked that we seek the changes to their election procedures that you now see in HB 1137.

Section 9 repeals the International Business and Trade Office^s from the Division of Economic Development and Finance – which was added to the Department of Commerce by section 1. Section 9 also repeals the Career Guidance and Job Opportunities website, which is no longer used. The Career Guidance and Job Opportunities website statute contains a continuing appropriation and when I reported to the Legislative Audit and Fiscal Review Committee during the interim that it isn't being used they requested that it be repealed.

Thank you for your time and attention this morning. I will be happy to respond to your questions.



House Industry, Business and Labor Committee

HB 1137

January 22, 2007

Chairman Keiser and members of the committee, my name is Renee Stromme. I am Executive Director of the North Dakota Women's Network. We are a membership organization working to improve the lives of North Dakota women. It is the position of the North Dakota Women's Network to support policies and programs which will work towards the economic independence of North Dakota women.

In 2005 a report on the status of women in North Dakota was released which indicated that 22.5% of ND firms are owned by women. In the interest of increasing this percentage, we support this legislation for a women's business development office.

Thank you for the opportunity to express our support of this bill.

Respectfully submitted,

Renee Stromme

Executive Director

North Dakota Women's Network

418 E ROSSER, SUITE 301B · BISMARCK, ND 58501 · 701-255-6240, EXTENSION 21

Statement of commitment

*I support the mission of the
North Dakota Women's
Network and commit to the
common purposes of NDWN
to achieve full equality for
women.*

Signature: _____

Date: _____

Make checks payable to,
North Dakota Women's Network.
Memberships are requested on an
annual basis.

The Women's Network
understands that there is no
universal agreement among
women on all the concerns of
the Women's Network, but we
hope we can actively work
together and not work against
each other on issues vital to
improving women's lives.

Please send membership to:

North Dakota Women's Network
418 E Rosser #301B
Bismarck, ND 58501
Phone: 701-255-6240 ext 21
Fax: 701-255-1904
E-mail: renee@ndwomen.org

**North Dakota
Women's
Network**



As leaders, the North
Dakota Women's
Network will serve as
the catalyst for
improving the lives of
women through
communication,
legislation and increased
public activism.

www.ndwomen.org

The North Dakota Women's Network is a membership based organization consisting of women from all walks of life. Members will be the voice and substance of the Network. Collectively, the membership will drive the changes needed for women of North Dakota.

The Network's focus will be broad in definition.

Our Concerns,

- Political Participation
 - Only 16% of state legislators are women.
- Employment and Earnings
 - Women, depending on race, make between 60-80 cents on every dollar a white man makes.
- Social Autonomy
 - There is a low proportion of women-owned businesses in ND.
- Economic Autonomy
 - 14% of women live in poverty.
- Reproductive Rights
 - Contraceptives are not commonly covered by insurance.
- Health and Well-Being
 - Native women's health lags behind that of white women.
- Violence Against Women
 - Women continue to experience far too much interpersonal violence and live in fear of rape.
- Educational Opportunities
 - Only 22% of women have four-year degrees or higher.
- Women's Life Choices
 - Women desire unity and equality for all women.

And, Ensuring Women's Voices are Heard in Decision-Making at all Levels.

Statistics from the Status of Women in North Dakota Report, 2004, Institute of Women's Policy Research available at www.iwpr.org

North Dakota Women's Network

Membership Information

As leaders, the North Dakota Women's Network (NDWN) will serve as the catalyst for improving the lives of women through communication, legislation and increased public activism.

Name: _____

Organization (if applicable): _____

Address: _____

City: _____

State: _____ Zip: _____

Telephone: _____

Email: _____

Individual membership:

___ \$30 Individual

___ \$10 Student

___ A dollar amount more fitting for you (higher or lower).

___ A financial contribution isn't possible at this time, but my time to NDWN would be even more valuable!

Nonprofit Organization membership (based on operating budget);

___ \$100 for a budget under \$100,000

___ \$150 for a budget between \$100,000 and \$500,000

___ \$200 for a budget over \$500,000

Your membership contribution to NDWN: \$ _____

Additional donation to NDWN: \$ _____

Total enclosed: \$ _____

**DEPARTMENT OF COMMERCE TESTIMONY ON HB 1137
FEBRUARY 28, 2007, 9:30 A.M.
SENATE INDUSTRY, BUSINESS AND LABOR COMMITTEE
ROOSEVELT PARK ROOM
SENATOR JERRY KLEIN, CHAIRMAN**

SHANE GOETTLE – COMMISSIONER, ND DEPARTMENT OF COMMERCE

Good morning, Mr. Chairman, and members of the committee. I am Shane Goettle, Commissioner of the North Dakota Department of Commerce and I am here before you today in support of HB 1137.

HB 1137 was introduced by the Department of Commerce to clean up our statute and modify a few Commerce related programs.

The Department of Commerce was created in 2001. It consists of four divisions, namely: 1) Economic Development & Finance; 2) Tourism; 3) Community Services; and 4) Workforce Development. However, in bringing these agencies together under one roof, some of the divisions' responsibilities were left intact. Most of what we are suggesting in HB 1137 involves raising these division responsibilities to the Department level, where we suggest they belong. The rest of our proposals in HB 1137 are to accurately describe in statute how we are currently doing business.

Section 1 adds three offices to the Department of Commerce that currently are apart of the Division of Economic Development and Finance in statute. These are the North Dakota American Indian Business Development Office, the Women's Business Development Office, and the International Business and Trade Office. This change places these offices directly under the Commissioner, which better reflects how we are currently doing business and relating to these offices. Language is also added to both the American Indian and Women's business development offices to expressly allow for contracting the functions of these offices. We believe we already had this authority, and we have been exercising this authority, but we thought it prudent to insert the express power to contract and mirror the express language included with the International Business and Trade Office.

Sections 2, 3, 4, and 8 appoint the Commissioner of Commerce or designee to various commissions or boards that currently list one of the division directors within the Department of Commerce as the primary appointee. These include the Agricultural Products Utilization Commission, the North Dakota Development Fund, the North Dakota Low-risk Incentive Fund Governing Board, and the State Historical Board. This change avoids the awkwardness of having a Division Director appoint the Commerce Commissioner to a commission or board as a designee of the Division Director. The proposed changes simply help reinforce the chain of command within the Department of Commerce.

Section 5 removes the North Dakota American Indian Business Development Office and North Dakota Women's Business Development Office from the division of Economic Development and Finance and, again, places them under the Department as a whole and under the direct oversight of the Department Commissioner.

Section 6 makes changes to the Value-Added Agriculture Promotion Board including adding a representative from APUC, up to two additional representatives from the private sector, and appoints the Commissioner of Commerce instead of director of the Division of Economic Development and Finance. This section also changes the scope and duties of the Value-Added Agriculture Promotion Board to specifically serve as an advisory board to the Commissioner of Commerce on issues related to value-added agriculture. Its original purpose was to work directly with value-added agriculture projects, but this simply has not happened for many practical reasons. The value-added agriculture projects occurring in this state are happening so quickly that putting them through the process laid out could actually slow them down instead of helping. I should mention that before suggesting these changes, the Value-Added Agriculture Promotion Board met last November, 2006, and endorsed these changes during a formal meeting.

Section 7 is a change requested by the North Dakota Economic Development Foundation. This change provides for the Chairman, Vice Chairman, Secretary, and Treasurer to be elected directly by the members of the Foundation. The current statute has the members electing an executive committee which then subsequently elects the leadership. This has proved awkward in practice, and after election this past fall, the Foundation asked that we seek the changes to its election procedures that you now see in HB 1137.

Section 9 repeals Chapter 21-11, which is the Natural Resources Development Bond Issue. The repeal of this Chapter was brought about because of an audit finding that showed the Department of Commerce did not have anything in place to promote or administer this program. Quite frankly, no one in the Department was even aware of the Natural Resources Development Bond. In our subsequent research, we discovered the program was put in place in 1963 and has never been used. There are some practical components to the program that I think bar its use in today's business environment.

In addition, Section 9 repeals the International Business and Trade Office from the Division of Economic Development and Finance – which was added to the Department of Commerce by section 1.

Section 9 also repeals the Career Guidance and Job Opportunities website, which is no longer used. The Career Guidance and Job Opportunities website statute contains a continuing appropriation and when I reported to the Legislative Audit and Fiscal Review Committee during the interim that it wasn't being used the Committee recommended I propose it be repealed.

Thank you for your time and attention this morning. I will be happy to respond to your questions.