

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1404

2001 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1404

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1404

House Government and Veterans Affairs Committee

☐ Conference Committee

Hearing Date 2/08/01

Tape Number	Side A	Side B	Meter #
2	X		3900-END
		X	0-490
		X	1082-2295
Committee Clerk Signature <i>Robin L. Small</i>			

Minutes:

REP. M. KLEIN called the hearing to order, with all members present.

In favor:

REP. WILLIAM H. PIETSCH, DISTRICT 22

PIETSCH introduces the bill to the committee. States to the committee that this bill would allow a farmer to produce up to 1000 gallons of wine, per year. This would be value added agriculture. Maybe a lifestyle change, and a possible opportunity.

REP. BELLEW asks if they need to have a license on the farm, and would the state then get the revenue. PIETSCH replies that they have no intent not to pay the tax, all they want to do is be able to sell the product on their property. REP. KLEMIN asks if they would have to abide by the sales tax permit. PIETSCH replies yes, that is the understanding and their intent.

REP. HUNSKOR asks if the people would have to regulate the age limits of the potential customers that would want to purchase the products. PIETSCH comments that is in the local

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House Government and Veterans Affairs Committee

Bill/Resolution Number HB 1404

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ordinances. REP. HUNSKOR then asks if it would be operated like a bar. PIETSCH comments that is his belief.

In favor:

DAN KUNZ, NORTH DAKOTA WHOLESALE LIQUOR DISTRUBUTORS

Please see attached amendments. KUNZ talks about the three tier system, and out of states wineries.

REP. CLARK asks if this bill would hinder them in anyway? KUNZ replies that it would allow them to sell more and also go to wholesale.

In favor:

REP. JIM KASPER, DISTRICT 46

REP. KASPER comments to the committee that he and his wife have a cabin in Minnesota, and on there way there, they stop at a local farm and purchase his wine. They have enjoyed this opportunity, and like this concept.

REP. KLEMIN asks if they are fruit based wines. PIETSCH replies yes, that is his understanding.

In favor:

BOB HANSON, WINE INSTITUTE

HANSON urges the committee a do pass. HANSON talks about some of the California wineries, and being able to buy it over the Internet.

REP. DEVLIN asks about buying the wine over the Internet, can it not be shipped anywhere?

HANSON replies that a bill was passed last session, so the wine could not get into the hands of a minor.

Being there was no further testimony in favor, or in opposition, the hearing was then closed.

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House Government and Veterans Affairs Committee
Bill/Resolution Number HB 1404
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Action was taken later that afternoon.

REP. GRANDE motioned to accept the amendments, seconded by REP. BRUSEGAARD.

A voice vote was taken with the majority passing it. REP. BRUSEGAARD then motioned to DO PASS AS AMENDED, seconded by REP. KASPER. The roll call was taken with 13 YES, 2 NO and 0 ABSENT AND NOT VOTING. The CARRIER of the bill is REP. BRUSEGAARD.

HB 1401: DO PASS AS AMENDED 13-2

CARRIER: REP. BRUSEGAARD

FISCAL NOTE
Requested by Legislative Council
01/23/2001

Bill/Resolution No.: HB 1404

Amendment to:

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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 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.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Less than \$5,000 affect on general fund.

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.*

Less than \$5,000 affect on general fund.

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.*

Less than \$5,000 affect on general fund.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Less than \$5,000 affect on general fund.

Name:	Joan Becker	Agency:	Treasurer
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Phone Number: 328-2646

Date Prepared: 02/07/2001

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1404

Page 1, line 11, replace "or" with "and"

Page 1, line 11, after "produced" insert "in North Dakota"

Page 1, line 15, after "retail" remove ", or wholesale"

Page 1, line 16, after "lots" insert "and not for resale"

Page 1, line 21, after the period insert "A farm winery may not engage in any wholesaling activities. All sales and delivery of wines to any other retail licensed premises may be made only through a wholesale liquor licensee."

Page 1, after line 21, insert:

"3. The farm winery shall pay to the state the wholesaler taxes and the sales taxes on all wines sold by the farm winery as set forth in sections 5-03-07 and 57-39.2-03.2.

4. The farm winery shall report quarterly to the state tax commissioner the total quantity of wine sold by type and the amount of taxes due the state in the manner and on the forms prescribed by the state tax commissioner,"

Page 1, line 22, replace "3" with "5"

Renumber accordingly

February 8, 2001

V/R
2/9/01

HOUSE AMENDMENTS TO HB 1404 HOUSE GVA 2-09-01
Page 1, line 11, replace "or" with "and" and after "produced" insert "in this state"

Page 1, line 15, remove ", or wholesale"

Page 1, line 16, after "lots" insert ", and not for resale,"

Page 1, line 21, after the period insert "A farm winery may not engage in any wholesaling activities. All sales and delivery of wines to any other retail licensed premises may be made only through a wholesale liquor license."

3. The farm winery shall pay to the state the wholesaler taxes and the sales taxes on all wines sold by the farm winery as set forth in sections 5-03-07 and 57-39.2-03.2.
4. The farm winery shall report quarterly to the state tax commissioner the total quantity of wine sold by type and the amount of taxes due to the state in the manner and on the forms prescribed by the state tax commissioner."

Page 1, line 22, replace "3" with "5"

Renumber accordingly

Date: Feb. 8th, 2001

Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1404

House GOVERNMENT AND VETERANS AFFAIRS Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken accept the amendments

Motion Made By Grande Seconded By Brusegaard

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN			REP KROEBER		
VICE CHAIR GRANDE					
REP BELLEW					
REP BRUSEGAARD					
REP CLARK					
REP DEVLIN					
REP HAAS					
REP KASPER					
REP KLEMIN					
REP MEIER					
REP WIKENHEISER					
REP CLEARY					
REP HUNSKOR					
REP METCALF					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Date: Feb. 8th, 2001

Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1404

House GOVERNMENT AND VETERANS AFFAIRS Committee

☐ Subcommittee on _____

or

☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass As Amended.

Motion Made By Brusegaard Seconded By Kasper

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN	✓		REP KROEBER	✓	
VICE CHAIR GRANDE	✓				
REP BELLEW		✓			
REP BRUSEGAARD	✓				
REP CLARK	✓				
REP DEVLIN	✓				
REP HAAS	✓				
REP KASPER	✓				
REP KLEMIN	✓				
REP MEIER	✓				
REP WIKENHEISER	✓				
REP CLEARY	✓				
REP HUNSKOR		✓			
REP METCALF	✓				

Total (Yes) 13 No 2

Absent _____

Floor Assignment Rep. ~~Brusegaard~~ Brusegaard

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

REPORT OF STANDING COMMITTEE

HB 1404: Government and Veterans Affairs Committee (Rep. M. Klein, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (13 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1404 was placed
on the Sixth order on the calendar.

Page 1, line 11, replace "or" with "and" and after "produced" insert "in this state"

Page 1, line 15, remove ", or wholesale"

Page 1, line 16, after "lots" insert ", and not for resale,"

Page 1, line 21, after the period insert "A farm winery may not engage in any wholesaling
activities. All sales and delivery of wines to any other retail licensed premises may be
made only through a wholesale liquor license."

3. The farm winery shall pay to the state the wholesaler taxes and the sales
taxes on all wines sold by the farm winery as set forth in sections 5-03-07
and 57-39.2-03.2.
4. The farm winery shall report quarterly to the state tax commissioner the
total quantity of wine sold by type and the amount of taxes due to the state
in the manner and on the forms prescribed by the state tax commissioner."

Page 1, line 22, replace "3" with "5"

Renumber accordingly

2001 SENATE AGRICULTURE

HB 1404

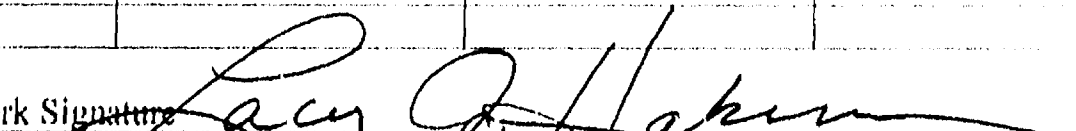
2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1404

Senate Agriculture Committee

☐ Conference Committee

Hearing Date March 2, 2001

Tape Number	Side A	Side B	Meter #
March 2 1	X		15.5 - 33.5
Committee Clerk Signature 			

Minutes:

REP. PIETSCH; Sponsor, introduced the bill to the committee. See attached testimony.

SENATOR NICHOLS; with regard to the one thousand gallon limit, is that just a figure that was used in other law that you have see.

REP. PIETSCH; No, it's very arbitrary. The Minnesota bill which the piece of legislation is patterned along for the production of up to five thousand gallons.

REP. BRUSEGAARD; Sponsor, testified in support of this bill.

DAN KUNTZ; Wholesaler, testified in support of this bill.

The hearing was closed.

SENATOR ERBELE moved for a DO PASS.

SENATOR URLACHER seconded the motion.

Roll call vote: 5 Yeas, 0 No, 0 Absent and Not voting.

SENATOR KROEPLIN will carry the bill.

Date: 3-02-01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1404

Senate Agriculture Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Sen. Erbele Seconded By Sen. Urlacher

Senators	Yes	No	Senators	Yes	No
Senator Wanzek - Chairman	✓		Senator Kroeplin	✓	
Senator Erbele - Vice Chairman	✓		Senator Nichols	✓	
Senator Klein					
Senator Urlacher	✓				

Total (Yes) 5 No 0

Absent 1

Floor Assignment Senator Kroeplin

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

REPORT OF STANDING COMMITTEE (410)
March 2, 2001 1:37 p.m.

Module No: SR-36-4738
Carrier: Kroeplin
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1404, as engrossed: Agriculture Committee (Sen. Wanzek, Chairman) recommends
DO PASS (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1404
was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

HB 1404

North Dakota Senate

Agriculture Committee

Testimony on House Bill 1404

Representative Bill Pietsch

March 2, 2001

Mr. Chairman and members of the Senate Agriculture Committee, I appear before you today in support of House Bill 1404. If enacted, this bill would permit the state treasure to issue a license that would allow the owner or operator of a farm winery located within the state to produce and market table or sparkling wines.

The license would have a fifty dollar annual fee, and permit the operator to produce and market not more than one thousand gallons of wine per year. To comply with the license, the majority of the raw materials used in the wine production would be of North Dakota origin.

As we seek new opportunities for "value-added" agriculture, this pilot venture would be fully integrated within the state, producing a product with increasing consumer demand. Like any new industry, pilot efforts are an important first step. Providing the opportunity for test marketing to determine consumer acceptance is critical.

Mr. Chairman and members of the Agriculture Committee, I encourage your serious consideration of this bill, and hope you'll see fit to recommend its passage to the Senate.