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Volante Rickford
Operator's Signature

10/6/03
Date

2003 HOUSE AGRICULTURE

HCR 3026

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Al Costa Rickford
Operator's Signature

10/12/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HCR 3026

House Agriculture Committee

☐ Conference Committee

Hearing Date 2--7--03

Tape Number	Side A	Side B	Meter #
ONE	A		18.7 TO 22.4
Committee Clerk Signature <i>Edward D. Elbert</i>			

Minutes:

CHAIRMAN NICHOLAS: Committee Members, we will open the hearing on HCR 3026.

REPRESENTATIVE MONSON: I am here in support of HCR 3026. My name is Dave Monson from Dist. 10 in north eastern ND. We have a ethanol plant. I hope with the increase of the production of ethanol in N.D. And potentially new ethanol plants being considered. There may be several in the state. That there may be a way to increase the use of ethanol and I like to see if we could make it available for the state. E-85 would certainly use more ethanol and I would encourage us to try go that route. I realize that E-85 is kind of a hard commodity to find. Probably many of our cars won't run on that right not without some adjustments. I am interested in finding out if it would be feasible to help incuria he use of ethanol.

CHAIRMAN NICHOLAS: Any questions? Thank you Rep. Monson. Anyone else wishing to appear in support of HCR 3026?

PAUL THOMAS: North Dakota Agriculture Coalition. I am here in support of HCR 3026.

Page 2

House Agriculture Committee

Bill/Resolution Number HCR 3026

Hearing Date 2--07--03

{{PLEASE SEE PRINTED TESTIMONY.}}

CHAIRMAN NICHOLAS : Any questions of Paul.

REPRESENTATIVE MUELLER: How do you look at ethanol mandate?

PAUL THOMAS. The policy of the NDAC which was brought forward by it's members and the members of NDAC and they have brought forward new incentives and ethanol plant construction and bill that promote bill that increase the use of ethanol. We have not dealt with mandates.

CHAIRMAN NICHOLAS: Any other support of HCR 3026

MARK SITZ: FARMERS UNCTION. We support HCR 3026. We have a strong support of ethanol. Any viable usage we would be in support of.

CHAIRMAN NICHOLAS: Any additional support of HCR 3026? Any opposition?

WE WILL CLOSE THE HEARING ON HCR 3026.

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HCR 3026

House Agriculture Committee

☐ Conference Committee

Hearing Date 2--07--03

Tape Number	Side A	Side B	Meter #
ONE	A		22.4 TO 24
Committee Clerk Signature <i>William D. Clayton</i>			

Minutes:

CHAIRMAN NICHOLAS: The chair will entertain a motion on HCR 3026.

REPRESENTATIVE KELSH: Mr. Chairman there are some amendments presented by Joel Gilberson, Vogel Law Firm. Representative Kelsch went through the amendments which are attached. Representative Kelsch moved on the amendment for A DO PASS. With amendments. REPRESENTATIVE BOE SECONDED HE MOTION. VOICE VOTE ON AMENDMENTS. REPRESENTATIVE MOVE FOR A DO PASS WITH AMENDMENTS. REPRESENTATIVE BOE SECONDED THE MOTION.

THE CLERK TOOK THE ROLL. THERE WERE 11 YES 0 NO 2 ABSENT
FLOOR ASSIGNMENT WAS CHAIRMAN NICHOLAS.

CLOSED THE HEARING ON HCR3026

Salvatore Riccio
Operator's Signature

10/16/03
Date

33050.0101
Title.0200

Adopted by the Agriculture Committee
February 13, 2003

VR
2/13/03

HOUSE AMENDMENTS TO HOUSE CONCURRENT RESOLUTION NO. 3026Agricult 2-13-03

Page 1, line 7, replace "30" with "40"

Page 1, line 13, after the second "the" Insert "estimated expansion" and replace "10.5" with "40 to 50"

Page 1, line 14, replace "4" with "17"

Renumber accordingly

Page No. 1

33050.0101

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La Costa Rickford
Operator's Signature

10/16/03
Date

HR 3026
2-7-03

Date:
Roll Call Vote #:

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House AGRICULTURE COMMITTEE

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken

Amendments

Motion Made By

Kelsch

Seconded By

BOE

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN NICHOLAS					
VICE CHAIRMAN POLLERT					
REPRESENTATIVE BELTER					
REPRESENTATIVE BOEHNING					
REPRESENTATIVE KELSCH					
REPRESENTATIVE KINGSBURY					
REPRESENTATIVE KREIDT					
REPRESENTATIVE UGLEM					
REPRESENTATIVE WRANGHAM					
REPRESENTATIVE BOE					
REPRESENTATIVE FROELICH					
REPRESENTATIVE MELLER					
REPRESENTATIVE ONSTAD					

Voice
Vote

Total (Yes) _____

No _____

Absent _____

Floor Assignment _____

Salvatore Riccardi
Operator's Signature

10/16/03
Date

1-10R 3026
2-7-03

Date:
Roll Call Vote #:

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House AGRICULTURE COMMITTEE

☐ Check here for Conference Committee

Legislative Council Amendment Number UNANIMOUS

Action Taken DO PASS

Motion Made By KELSON Seconded By BOE

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN NICHOLAS	✓				
VICE CHAIRMAN POLLERT	✓				
REPRESENTATIVE BELTER					
REPRESENTATIVE BOEHNING	✓				
REPRESENTATIVE KELSCH	✓				
REPRESENTATIVE KINGSBURY	✓				
REPRESENTATIVE KREIDT	✓				
REPRESENTATIVE UGLEM	✓				
REPRESENTATIVE WRANGHAM	✓				
REPRESENTATIVE BOE	✓				
REPRESENTATIVE FROELICH					
REPRESENTATIVE MELLER	✓				
REPRESENTATIVE ONSAD	✓				

Total (Yes) 11 No 0

Absent 2

Floor Assignment NICHOLAS

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Yolanda Richardson
Operator's signature

10/6/03
Date

REPORT OF STANDING COMMITTEE (410)
February 14, 2003 2:59 p.m.

Module No: HR-29-2830
Carrier: Nicholas
Insert LC: 33050.0101 Title: .0200

REPORT OF STANDING COMMITTEE

HCR 3026: Agriculture Committee (Rep. Nicholas, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE PLACED ON THE CONSENT CALENDAR (11 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HCR 3026 was placed on the Tenth order on the calendar.

Page 1, line 7, replace "30" with "40"

Page 1, line 13, after the second "the" insert "estimated expansion" and replace "10.5" with "40 to 50"

Page 1, line 14, replace "4" with "17"

Renumber accordingly

2003 SENATE AGRICULTURE
HCR 3026

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Salvatore Riccardi
Operator's Signature

10/16/03


2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HCR 3026

Senate Agriculture Committee

☐ Conference Committee

Hearing Date 03/06/03

Tape Number	Side A	Side B	Meter #
1		x	0 - 2825
Committee Clerk Signature 			

Minutes:

Vice Chairman Erbele opened the hearing on HCR 3026. All members were present (Senator Flakoll arrived during testimony).

Representative Monson introduced and testified in favor of the resolution. It is a simple resolution. For Senator Seymour's information, simple is defined as something you can read and understand. In his district there is an ethanol plant run by ADM. In district 16 there is another plant. He wants to promote the production and use of ethanol. It provides jobs, uses our commodities and is good for the environment. E-85 is a fuel with 85% ethanol. More car companies are coming out with E-85 capabilities. Brazil has been using E-85 for a long time. Ethanol use is good for North Dakota.

Senator Klein asked what is the current capacity?

Page 2
Senate Agriculture Committee
Bill/Resolution Number HCR 3026
Hearing Date 03/06/03

Representative Monson said in lines 6 and 7 the resolution refers to 30 million gallons. Our plants are bringing in corn from other states and North Dakota is seeing an increase in corn production.

Senator Erbele asked if the by products of ethanol production are being used or are they being wasted?

Representative Monson said he thought the by products were being used for feed or being hauled away for feed. There is not a lot of livestock production close to the plant. A local company, Sweet Pro, is using the by products for a protein supplement for livestock.

Senator Urlacher asked if the by products were dried down?

Representative Monson said he has seen it both ways. Dried down, it resembles grape nuts or it is syrupy in blue barrels. The by products are also very important to the livestock industry and provide jobs.

Representative Joyce Kingsbury testified in favor of the resolution. (meter # 494) There is an ethanol plant in Grafton. Ethanol is important in her area and is important to jobs. The plant has made changes and has learned a lot.

Senator Erbele asked how many employees in the Grafton plant?

Representative Kingsbury said she thought 50 - 60 employees.

Joel Gilbertson, representing the North Dakota Corn Utilization Council, testified in favor of the resolution. (meter # 685) There is a lot of research going on with E-85. A recent press release from General Motors said Missouri, Wisconsin, Colorado, Michigan and Illinois have been selected for test marketing of E-85. In the past 5 years, the production of E-85 has increased tenfold. It is now at 10 million gallons per year. There are currently more than 3 million E-85

Joel Gilbertson
Operator's Signature

10/16/03
Date

Page 3

Senate Agriculture Committee

Bill/Resolution Number HCR 3026

Hearing Date 03/06/03

vehicles on American roads. Ethanol has reduced our demand for foreign oil by 98,000 barrels and has reduced the trade deficit by \$1.1 billion. Some amendments were made in the house to reflect current production capabilities. We have the capacity to produce another 40 - 50 million gallons of ethanol. We haven't tapped the possibilities in North Dakota.

Ethanol is made with a procedure similar to wine. Corn and enzymes are combined to produce alcohol. The remaining by product is corn without the starch which is very high in protein. The plant in Aberdeen was shipping the by products to Illinois until the local ranchers found out about it. Now it is all used locally because the cattle love it.

Senator Klein asked if modifications are necessary for a car to use E-85.

Mr. Gilbertson said yes.

Senator Nichols asked how the price of E-85 compares to that of 10% ethanol.

Mr. Gilbertson said he is not sure. It is very good fuel, used by dragsters.

Senator Urlacher asked what is the cost of a gallon of E-85?

Mr. Gilbertson said he thinks the cost is about the same as a gallon of regular gas. E-85 burns much cleaner than gas.

Senator Flakoll said page 1 line 20 says ethanol adds 30 cents to a bushel of corn. Can he provide any supporting data?

Mr. Gilbertson said yes, he could find the data.

Senator Flakoll asked if ethanol freezes on very cold days?

Mr. Gilbertson said the new plants are much different than the old plants, they are more efficient.

The hauling problems have been solved.

Senator Flakoll asked if the moisture content has been decreased?

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Senate Agriculture Committee
Bill/Resolution Number HCR 3026
Hearing Date 03/06/03

Mr. Gilbertson said yes.

Senator Flakoll asked if the plants run their vehicles on E-85?

Mr. Gilbertson said the Aberdeen plant does not but they will.

Senator Urlacher asked if the plant in Aberdeen is a new one?

Mr. Gilbertson said yes, they are producing 2.85 gallons of ethanol out of a bushel of corn. The older plants could get 2.2 gallons from a bushel of corn.

Senator Klein said the North Dakota plants are not as new and not as efficient.

Paul Thomas, North Dakota Ag Coalition, testified in favor of the resolution. They support renewable fuels. This is a good step in the right direction.

Senator Flakoll asked if this puts corn growers in competition with the oil producers?

Mr. Thomas said he doesn't think domestic oil producers look at ethanol as direct competition because of our heavy dependence on foreign oil. He added E-85 vehicles can also run on gas.

Senator Klein asked about the price of E-85?

Mr. Thomas said he didn't know. There are very few places in the state to buy E-85.

Senator Flakoll said one is right up the street at Sta Mart.

Mark Sitz, North Dakota Farmers Union, testified in favor of the resolution. (meter # 1975)

They have been long time supporters of ethanol. There have been lots of good questions asked today and maybe a study will help us answer them. As we create more demand, varieties will get shorter and better and there will be more corn grown in North Dakota. It is a win-win situation all the way around.

Senator Flakoll asked if there is a difference in corn varieties in terms of their ethanol yield?

Page 5

Senate Agriculture Committee

Bill/Resolution Number HCR 3026

Hearing Date 03/06/03

Senator Klein said certain corn varieties have 14% more sugar and are being raised specifically for ethanol production.

Curt Peterson, Association of General Contractors in North Dakota, said they don't have any problem with the use or production of ethanol. (meter # 2416) They are concerned about the impact on the highway distribution fund and the roads. There has been preferential treatment for ethanol for 20 years. They have a problem with taxing the system.

Senator Klein asked what is the North Dakota tax on a gallon of gas?

Mr. Peterson said 21 cents.

Senator Klein asked what is the tax on a gallon of ethanol blend?

Mr. Peterson said it is still 21 cents but there is a rebate and he doesn't know the details.

Senator Nichols said his is not sure either but it would be good information to have.

Chairman Flakoll closed the hearing on HCR 3026.

It was moved by Senator Klein, seconded by Senator Nichols and passed on a roll call vote that the Senate Agriculture Committee take a Do Pass action on HCR 3026. Voting yes were Senator Flakoll, Senator Erbele, Senator Klein, Senator Urlacher, Senator Nichols and Senator Seymour.

There were no negative votes cast. Senator Klein will carry the resolution to the floor.

Chairman Flakoll moved on to other business of the committee.

Date: 3/6
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 3026

Senate	<u>Agriculture</u>	Committee
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☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: No Pass

Motion Made By Sen Klein Seconded By Sen Nichols

[illegible]

Total (Yes) 56 No 0

Absent

Floor Assignment See Klein

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

(hold til
num.)

Operator's Signature La Costa Richard Date 10/16/03

REPORT OF STANDING COMMITTEE (410)
March 6, 2003 1:05 p.m.

Module No: SR-40-4098
Carrier: Klein
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
HCR 3026: Agriculture Committee (Sen. Flakoll, Chairman) recommends DO PASS
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HCR 3026 was placed on the
Fourteenth order on the calendar.

(2) DESK, (3) COMM

Page No. 1

SR-40-4098

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John Costa Rickford
Operator's Signature

10/16/03
Date

2003 TESTIMONY

HCR 3026

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Operator's Signature

Yolanda Rickford

10/6/03

Support of H.C.R. No. 3026

Mr. Chairman and members of the Committee, please accept my apologies for being unable to attend the hearing on this resolution. I have an unavoidable scheduling conflict that prevents my attendance.

I want to note the support of the North Dakota Corn Utilization Council for House Concurrent Resolution 3026 for the record. We ask for a DO PASS recommendation from your committee.

There are a couple of factual items in the Resolution that may be not entirely correct and I have passed along those items to the prime sponsor. The state's present production of ethanol is in the range of about 40 million gallons per year rather than 30 millions, as shown on page one, line 7.

Secondly, it is difficult to say how great our state's production capacity is because that capacity depends on how much corn is being drawn to other uses like livestock or export or other uses. It is perhaps more accurate to say that the state currently produces between 35-40 million gallons of ethanol with estimated expansion capacity of an additional 40-50 million gallons. Production of 30 million gallons of ethanol uses approximately 11 million bushels of corn.

Therefore, line 13 on page 1 should be changed from "10.5" to "an additional 40 to 50" million gallons and, on line 14, they would be utilizing approximately 17 million bushels of corn rather than 4 million bushels.

We strongly support the resolution. It allows the industry to explore more extensively the value-added agricultural opportunities that ethanol gives us.

Thank you.

Joel Gilbertson

Vogel Law Firm

On behalf of the North Dakota Corn Utilization Council

North Dakota



Ag Coalition

Chairman Nicholas, members of the House Agriculture Committee. I am Paul Thomas Administrator of the North Dakota Ag Coalition. I am here to testify in support of HCR 3026 directing Legislative Council to study the use of E85 fuel by the state.

The thirty-nine agriculture organizational members of the North Dakota Ag Coalition passed a resolution in late 2002 to support legislation that will encourage the increased use of ethanol and legislation that will provide incentives for new ethanol plant construction.

Chairman Nicholas, members of the House Agriculture Committee I urge a do pass on HCR 3026.

4007 State Street • Bismarck, North Dakota 58503 • Phone (701) 355-4330 • Fax (701) 223-4130

A nonpartisan group of organizations involved in all aspects of agriculture. Organized in April 1982, the Coalition has been successful in providing a unified "voice" on behalf of North Dakota agricultural interests.

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Paul Thomas
Operator's Signature

10/6/03
Date