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ROLL NUMBER

DESCRIPTION

2259

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Deanna Waller
Operator's Signature

10/21/03
Date

2003 SENATE POLITICAL SUBDIVISIONS

SB 2259

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Deanna D. Smith
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10/21/03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2259

Senate Political Subdivisions Committee

☐ Conference Committee

Hearing Date January 31, 2003

Tape Number	Side A	Side B	Meter #
1		X	336 -3423
Committee Clerk Signature <i>Shirley Borg</i>			

Minutes:

CHAIRMAN COOK opened the hearing on SB 2259. All senators (6) were present.

The bill relates to renaissance fund organizations.

SENATOR GRINDBERG District 41, Fargo ND introduced SB2259 which he feels is important to North Dakota's growth. Access to capital is a huge issue. What this bill is trying to do is allow the opportunity for the fund to make investments in other places in North Dakota not just that zone. This bill would broaden the spectrum so that if there is a project that is not in that zone they may have an opportunity to make an application to receive venture capital funds.

Business deals will then create jobs.

Art Rosenberg, President of Renaissance Ventures, which is currently the only renaissance fund organization created in the state of North Dakota. This fund has been operating since 1999. The way the Renaissance Ventures was established is by a group of investors that numbers just over thirty people now who have raised two and a half million dollars. The fund is controlled by the

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Senate Political Subdivisions Committee
Bill/Resolution Number SB 2259
Hearing Date January 31, 2003

investors. They have a board of directors of six members. What is a concern for the board is there has not been many deal opportunities over the past nine to twelve months. The first and foremost goal is to make a return to the investors. The board of directors has asked the legislature for some flexibility. There is two parts to this bill; the renaissance zone its self and all of its incentives and then the renaissance fund organization where all the tax credits are.

No Further Testimony

SENATOR COOK closed the hearing on SB 2259

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10/21/03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2259

Senate Political Subdivisions Committee

☐ Conference Committee

Hearing Date February 13, 2003 (Discussion & Action on Amendment)

Tape Number	Side A	Side B	Meter #
2	X		0 - 1935
Committee Clerk Signature <i>Shirley Borg</i>			

Minutes:

CHAIRMAN COOK called the committee to order. All members (6) were in attendance.

SENATOR JUDY LEE referred the amendments to Mr Art Rosenberg, President of Renaissance Ventures, to explain.

Art Rosenberg, Renaissance Ventures, explained the amendments that were prepared for the committee on behalf of Senator Grindberg. These amendments allow it to be only investments in renaissance zoned communities or cities. The major changes actually just take it back to the original form of the law, where there were some issues with the Division of Community Service. Their feeling was it created the accidental fact of only allowing one fund to exist and not having others by taking out the over struck language. So basically what is being done is just putting the over struck language back in and leaving it in current law. The main change is the renaissance zoned communities wording.

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Page 2
Senate Political Subdivisions Committee
Bill/Resolution Number SB 2259
Hearing Date February 13, 2003

CHAIRMAN COOK asked if the original bill allowed these funds to be used anywhere in the state of North Dakota and now they are allowed to be used anywhere in the City of Fargo and in the City of Casselton.

Mr. Rosenberg answered that there are thirteen renaissance communities currently state wide. This will allow them to establish a fund organization if they desire.

SENATOR JUDY LEE the original legislation would have required the lending to be only in renaissance zones. She contacted her city planner and mayor and they are happy with the amendments.

SENATOR JUDY LEE moved adoption of the amendments to SB 2259.

SENATOR CHRISTENSON seconded that motion

Roll Call Vote: Yes 6 No 0 Absent 0

SENATOR JUDY LEE moved a **DO PASS** as **AMENDED** on SB 2259

SENATOR CHRISTENSON seconded the motion.

Discussion:

SENATOR SYVERSON said he had not seen the amendments prior to meeting and would like to have an opportunity to discuss this with the folks in Fargo. He feels he should represent them and doesn't know how they would feel.

Further discussion on bill Tape 2, Side A, Meter # 629 - 1835

Deanna D. [Signature]
Operator's Signature

10/21/03
Date

Page 3
Senate Political Subdivisions Committee
Bill/Resolution Number SB 2259
Hearing Date February 13, 2003

CHAIRMAN COOK suggested to the committee if they were confused with this issue to withdraw the motion and in the mean time they can find answers to the questions. We will take action on this tomorrow.

SENATOR JUDY LEE withdrew her motion on a DO PASS as Amended.

SENATOR CHRISTENSON withdrew her motion.

CHAIRMAN COOK Adjourned the meeting on SB 2259

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10/21/03
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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2259

Senate Political Subdivisions Committee

☐ Conference Committee

Hearing Date February 14, 2003 (Action)

Tape Number	Side A	Side B	Meter #
1	X		245 - 621

Committee Clerk Signature

Shirley Borg

Minutes:

CHAIRMAN COOK called the committee to order. All senators (6) in attendance.

CHAIRMAN COOK SB 2259 has been amended and the committee has the bill before them.

SENATOR JUDY LEE passed out letters from her city planner and mayor. (Attached)

SENATOR JUDY LEE moved an DO PASS AS AMENDED

SENATOR CHRISTENSON seconded the motion.

Roll call vote: Yes 4 No 2 Absent 0

Carrier: **SENATOR JUDY LEE**

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Deanna Waller

10/21/03
Date

FISCAL NOTE
Requested by Legislative Council
03/20/2003

Amendment to: SB 2259

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.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 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.*

2001-2003 Biennium			2003-2005 Biennium			2005-2007 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.*

Engrossed SB 2259 with House Amendments changes definitions and qualifications relating to renaissance fund organizations. While the provisions of Engrossed SB 2259 with House Amendments may result in different qualified projects, the overall fiscal impact may not change. The maximum tax credit amounts contained in current law are not altered in this bill.

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.*

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.*

Name:	Kathryn L. Strombeck	Agency:	Tax Department
Phone Number:	328-3402	Date Prepared:	03/20/2003

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12/21/03
Date

FISCAL NOTE
Requested by Legislative Council
02/20/2003

Amendment to: SB 2259

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.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 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.*

2001-2003 Biennium			2003-2005 Biennium			2005-2007 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.*

Engrossed SB 2259 changes definitions and qualifications relating to renaissance fund organizations. While the provisions of engrossed SB 2259 may result in different qualified projects, the overall fiscal impact may not change. The maximum tax credit amounts contained in current law are not altered in this bill.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

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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.*

Name:	Kathryn L. Strombeck	Agency:	Tax Dept.
Phone Number:	328-3402	Date Prepared:	02/25/2003

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FISCAL NOTE
Requested by Legislative Council
01/21/2003

Bill/Resolution No.: SB 2259

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.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 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.

2001-2003 Biennium			2003-2005 Biennium			2005-2007 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.

SB 2259 changes definitions and qualifications relating to renaissance fund organizations. While the provisions of SB 2259 may result in different qualified projects, the overall fiscal impact may not change. The maximum tax credit amounts contained in current law are not altered in this bill.

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Name:	Kathryn L. Strombeck	Agency:	Tax Dept.
Phone Number:	328-3402	Date Prepared:	01/30/2003

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Date

30419.0101
Title.0200

Prepared by the Legislative Council staff for
Senator Grindberg
February 5, 2003

93
2-14-03
1012

PROPOSED AMENDMENTS TO SENATE BILL NO. 2259

Page 1, line 1, remove "subsection 2 of section 40-63-01 and"

Page 1, remove lines 4 through 24

Page 2, remove lines 1 through 5

Page 2, line 9, remove the overstrike over "~~Each city with a designated renaissance zone may establish a renaissance fund~~"

Page 2, line 10, after "~~corporation~~" insert "organization" and remove the overstrike over "~~, if the detailed plan for such an organization is clearly established in~~"

Page 2, remove the overstrike over lines 11 through 13

Page 2, line 14, remove the overstrike over "2."

Page 2, line 16, after "~~city's~~" insert "designated renaissance", remove the overstrike over "~~zone~~", and replace "entities in a manner that will encourage capital investment in" with "cities"

Page 2, line 17, remove "the state"

Page 2, line 23, remove the overstrike over "3."

Page 2, line 26, remove "2."

Page 3, line 4, replace "3." with "4."

Page 3, line 10, replace "4." with "5."

Page 3, line 24, after the overstruck period insert "6." and remove the overstrike over "~~income to a renaissance fund organization derived from the sale or refinancing of~~"

Page 3, remove the overstrike over lines 25 through 29

Page 4, line 1, replace "5." with "7."

Page 4, line 4, replace "6." with "8."

Page 4, line 12, replace "7." with "9."

Page 4, line 30, replace "8." with "10.", overstrike "invest" and insert immediately thereafter "make investments", and overstrike "any residential or commercial"

Page 4, line 31, overstrike "property", remove the overstrike over "a" and Insert immediately thereafter "designated renaissance", remove the overstrike over "~~zone~~", and after "~~prejet~~" insert "city"

2 of 2

Renumber accordingly

Page No. 2

30419.0101

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10/21/03

Date

Date: 2.13.03
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2259 Adopt Amendments

Senate Political Subdivisions Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 30419.0101

Action Taken Adopted Amendments

Motion Made By Senator Judy Lee Seconded By Senator Christenson

Senators	Yes	No	Senators	Yes	No
Senator Dwight Cook, Chairman	X				
Senator John O. Syverson, VC	X				
Senator Gary A. Lee	X				
Senator Judy Lee	X				
Senator Linda Christenson	X				
Senator Michael Polovitz	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

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

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Deanna Hallmark 10/21/03
Operator's Signature Date

Date: 2-13-03
Roll Call Vote #: 2

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES *Do Pass*
BILL/RESOLUTION NO. *2259 AS Amended*

Senate	Political Subdivisions	Committee
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☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as Amended

Motion Made By J. Lee Seconded By Christen son

[illegible]

Total (Yes) _____ **No** _____

Absent

Floor Assignment

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

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Operator's Signature Deanna Waller Date 10/21/03

Date: 2-14-03
Roll Call Vote #: 2

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB2259

Do Pass 25
Amended
Committee

Senate Political Subdivisions

☐ Check here for Conference Committee

Legislative Council Amendment Number 30419.0101

Action Taken Do Pass 25 Amended

Motion Made By Senator Judy Lee Seconded By Senator Christenson

Senators	Yes	No	Senators	Yes	No
Senator Dwight Cook, Chairman		X			
Senator John O. Syverson, V C		X			
Senator Gary A. Lee	X				
Senator Judy Lee	X				
Senator Linda Christenson	X				
Senator Michael Polovitz	X				

Total (Yes) 4 No 2

Absent 0

Floor Assignment Senator Judy Lee

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

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Deanna Waller

Date

10/21/03

REPORT OF STANDING COMMITTEE (410)
February 18, 2003 10:58 a.m.

Module No: SR-31-3064
Carrier: J. Lee
Insert LC: 30419.0101 Title: .0200

REPORT OF STANDING COMMITTEE

SB 2259: Political Subdivisions Committee (Sen. Cook, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (4 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2259 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "subsection 2 of section 40-63-01 and"

Page 1, remove lines 4 through 24

Page 2, remove lines 1 through 5

Page 2, line 9, remove the overstrike over "~~Each city with a designated renaissance zone may establish a renaissance fund~~"

Page 2, line 10, after "~~corporation~~" insert "organization" and remove the overstrike over "~~, if the detailed plan for such an organization is clearly established in~~"

Page 2, remove the overstrike over lines 11 through 13

Page 2, line 14, remove the overstrike over "2."

Page 2, line 16, after "~~city's~~" insert "designated renaissance", remove the overstrike over "~~zone~~", and replace "entities in a manner that will encourage capital investment in" with "cities"

Page 2, line 17, remove "the state"

Page 2, line 23, remove the overstrike over "3."

Page 2, line 26, remove "2."

Page 3, line 4, replace "3." with "4."

Page 3, line 10, replace "4." with "5."

Page 3, line 24, after the overstruck period insert "6." and remove the overstrike over "~~income to a renaissance fund organization derived from the sale or refinancing of~~"

Page 3, remove the overstrike over lines 25 through 29

Page 4, line 1, replace "5." with "7."

Page 4, line 4, replace "6." with "8."

Page 4, line 12, replace "7." with "9."

Page 4, line 30, replace "8." with "10.", overstrike "invest" and insert immediately thereafter "make investments", and overstrike "any residential or commercial"

Page 4, line 31, overstrike "property", remove the overstrike over "a" and insert immediately thereafter "designated renaissance", remove the overstrike over "~~zone~~", and after "~~project~~" insert "city"

Renumber accordingly

2003 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2259

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2259

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date March 11, 2003

Tape Number	Side A	Side B	Meter #
1	X		2110-end
1		X	412-1157
Committee Clerk Signature <i>Elizabeth B. Spier</i>			

Minutes: **Chair Keiser:** Opened hearing on SB 2259.

Sen. Grindberg: The fund was created for job creation and also to bring a return to investors through a tax incentive. The Senate amended this bill to say the fund can only be used in cities with a Renaissance Zone.

Rep. Kasper: Does this mean the fund can invest in the zone and in cities with a zone, even if the investments are not in the "zone"? Grindberg said that is correct. He gave examples of the technology park at NDSU and options at UND. This would be a tool to invest in those areas.

Rep. Keiser: Have we met the cap on the tax credit? Grindberg said that to his knowledge they have not reached the cap.

Rep. Froseth: Could the shift out of the Renaissance Zone affect the Zone? He does not believe it will because within the zone, you go through the bank for financing. Outside the zone, you are looking at venture capital through equity, which a bank does not do.

Page 2

House Industry, Business and Labor Committee

Bill/Resolution Number 2259

Hearing Date March 11, 2003

Art Rosenberg (Renaissance Ventures): Passed out amendments. Renaissance Ventures has a board of governors, who are elected by investors. Investors are also on the board. There is confusion as to what they are. They receive a 50% state income tax credit. The communities do not own them. Yes, they get the tax credit, but he sees it as payment for ill-liquid investment.

Rep. N. Johnson: Ventures are high yield, high risk. Are there any safeguards in place because of tax credits so that this is not a public issue? Rosenberg said he believes their strategy is working, by having a board and meetings. Statistically, out of 10 projects, 2 will be successful, 3 will lose some money, and 5 will lose it all. Rosenberg believes the original Zone will continue to be the cornerstone, but they would like to branch out and bring more investment to the area.

Rep. Ruby: How long does the tax credit go? Rosenberg said it can be for 6 years or it can all be taken in one year. They only approach accredited investors and they need to have at least \$25,000 of investment. Ruby then asked if they have tax liability as a result. Rosenberg said that at some point they close it out.

Rep. Kasper: Does the investment go to individuals or corporations? Goes to anyone who pays tax in ND, except insurance companies.

Rep. Keiser: What is the limit on the tax credit? \$25 M Rep. Keiser then asked if we should pull this out of the zone and create a new entity to invest wherever, as to not hurt the renaissance zone. Rosenberg said that is where they are at. They still like the zone and progress. However, the tax credit is not enough anymore. Need more incentive to get investors.

Art Rosenberg: Reviewed amendments. Sec. 1 and 2 clarified relationships between the cities and the fund. Took out "established" and changed it to "participate in" so it doesn't sound like the city owns the fund. On page 2, line 30, removed "minus 10%" because you can't close out

Page 3
House Industry, Business and Labor Committee
Bill/Resolution Number 2259
Hearing Date March 11, 2003

the fund unless it's changed. Page 4 has new language that adds that the Dept. of Commerce has to approve the fund, not the cities.

Dave Anderson (Downtown Community Partnership, Fargo): Opposed. The zone is working, but it is a work in progress. Over the last 2-5 years, they have taken \$6 M worth of property and increased its worth to over \$27M by improvements. The 35 block expansion will offer new land. Feels this would take away from them. A solution would be to share the investment either 70/30 or 60/40 in order to keep the essence of Renaissance Fund.

Rep. Zaiser: Could you make it work by sharing? Anderson says he sees potential to grow the fund to have more resources.

Rep. Kasper: Why not tempt to expand outside of the zone? It seems you want to protect the fund. Anderson said that he is protective. They need a tool or hook to draw investors. There is real potential if they create a real relationship.

Rep. Johnson: Which part of the sharing are you looking for? Anderson said he would like the higher end of the percentage (the 70 or 60).

Rep. Froseth: Can you clarify the tax credit? Anderson said there are two tax credits. There is the income tax and the property tax.

Rep. Kelsner: Asked for a list of projects done in Fargo because Fargo has done a wonderful job with the Renaissance Zone.

Chair Kelsner: Closed hearing on SB 2259

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2259

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date March 11, 2003

Tape Number	Side A	Side B	Meter #
1		X	2870-3894
Committee Clerk Signature <i>Elizabeth R. Green</i>			

Minutes: **Chair Kelser:** Opened discussion on SB 2259

Rep. Klein: Has a problem dipping into the tax incentive for projects outside of the Renaissance Zone. Little towns are starting to come on board and we may run out of credits

Rep. Zaiser: Vehicle was meant to rejuvenate the downtown areas. Fearful we will open this too far.

Rep. Thorpe: These two ideas do not fit under one umbrella. Believes this should be a separate program.

Rep. Ruby: Understands how the tax break may be maxed out, but can also make a case for how it works. Will support.

Rep. Kelser: Thinks we should talk to leadership. The venture capital fund is a great idea. The demand is going to jump geometrically because of the 35 block expansion. Should see if leadership is willing to explore a new fund.

Rep. Ekstrom: Agrees. Both are great needs.

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House Industry, Business and Labor Committee
Bill/Resolution Number 2259
Hearing Date March 11, 2003

Rep. Froese: Sat on the commerce committee. The risk was too high for a venture capital fund. This would be a good vehicle to do it with a tax incentive. Not sure if the body will go for a tax exemption now, but perhaps it can become a revolving fund where as the old exemptions go off, new exemptions could start up.

Rep. Zaiser: With the sharing of the 70/30 or 60/40, he is concerned with the equity.

Rep. Kasper: If we do a split, and 50% is an income tax credit, could you have an option where you only use 25% or 30% as to not deplete the fund?

Chair Keiser: Closed discussion on SB 2259

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Deanna Waller
Operator's signature

10/21/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2259

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date March 11, 2003

Tape Number	Side A	Side B	Meter #
2	X		5230-end
2		X	383-1335
Committee Clerk Signature <i>Elizabeth B. Fein</i>			

Minutes: **Chair Keiser:** Opened discussion on SB 2259

The Renaissance Fund has a tax incentive of up to 50% on investment (on personal income tax).

They can hold the money for 15 years. If they do not invest, all you get is the tax credit. You hope they use venture capital to get a return on the investment and the tax credit. The current law has a \$2.5M liability on the tax credit. So far we have only used half of that. The zone has now been expanded to 35 blocks. Keiser proposed taking off the current 65% investment requirement. Allow the first \$2.5M trigger and then get another \$2.5 to where the Renaissance Zone would be guaranteed half of that. It has taken three years to use the first \$1.25 M

Rep. Kasper: Do we need a new fiscal note? Rep. Keiser said they are trying to avoid that.

Rep. Ruby: There is no need since the money has already been appropriated. You also get the sales tax from the projects. There are short and long term benefits.

Rep. Ekstrom: Agrees. This is a positive snowball effect.

Chair Keiser: Closed discussion on SB 2259

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Deanna D. Smith
Operator's Signature

10/21/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2259

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date March 18, 2003

Tape Number	Side A	Side B	Meter #
1	x		7.3-35.0
Committee Clerk Signature <i>Judith Hammer</i>			

Minutes: **Chairman Keiser** called for committee work on SB 2259.

Rep. Dosch chaired the subcommittee (Representatives Dosch, Kasper, Ekstrom & Severson) that drafted the amendments prepared by Legislative Council. Copies of the amendments were distributed and reviewed by Rep. Dosch, the carrier of the bill. Substantive changes occur on page 2. Of the \$5 million in tax credits "out there", only half have been activated and half of that amount (\$2.5 million) has been spoken for. What this amendment intends to do is as soon as the other \$1.25 million is allocated, the remaining \$2.5 million will become available. The old language contained dates, details and activation percentages that proved cumbersome. .0202 will refine that cumbersome language that outlined the procedures. This amendment also allows Renaissance Organizations to have access to the tax credits. It guarantees that the Renaissance Zones will be eligible for at least \$1.25 million worth of tax credits. The other moneys are on a first come, first served basis and can be utilized either within the boundaries of the Renaissance Zones or outside those boundaries.

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10/21/03
Date

Page 2

House Industry, Business and Labor Committee

Bill/Resolution Number SB 2259

Hearing Date March 18, 2003

Rep. Ekstrom: The rural legislators have raised concerns that Fargo will grab all the available funds. Is there some assurance that the Department of Commerce will make some effort to spread this across the state?

Rep. Dosch: It's my understanding that this fund is on a first come, first served basis. It's been around for several years, and Fargo has been the only community that has taken advantage of the program. That, to a certain extent, has encouraged Bismarck and other cities to apply for some of it.

Chairman Kelser: These amendments provide appropriate controls for the very issue Rep. Ekstrom is raising. We've appropriated up to \$5 million total in tax credits. Original legislation put in that initially it was \$2.5 million, if they are used, it will trigger the second \$2.5 million. The Renaissance Zone legislation has been in effect for four years, now realize that it took at least a year to get up and running, so, in actuality, it's been operating for 3 years. The summary that Dave provided for us outlining what Fargo has accomplished indicates that Fargo has utilized 90% of the \$1.25 million. That's because Bismarck and Minot haven't been as quick to get their applications in. So, in the current biennium, we have \$1.25 million available, they've only used \$1.25 in the first three years of operation, but for the next two years, there's another \$1.25 million available. If it's opened up, that money can still be used in a Renaissance Zone fund project within the zone. It can also be used for a project outside the zone. So Fargo might come in and ask for \$1 million. Even if that takes all the \$1.25 million, there's the other \$2.5 million that's triggered. And of that pot of funding, everybody gets to apply for it but the Renaissance Zones are guaranteed half of it. What could be a better problem than at the start of the next legislative session, all the money has been designated? I think we'll have struggle to

Deanna D. Smith
Operator's Signature

10/21/03
Date

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House Industry, Business and Labor Committee
Bill/Resolution Number SB 2259
Hearing Date March 18, 2003

spend that \$3.75 million in the next two years, but God bless us and them if it is all appropriated.

In two years, if that happens, I will be the one to introduce legislation that says, let's put \$10 million into Renaissance Zones. We've struggled to make this work, I suggest that everybody, the next time you are in Fargo, take a look at what Fargo has done with their Renaissance Zone funding.

Rep. Ruby: I understand the percentages and the benefits etc. But how does it work? Do you put money in the fund and get a tax break? Or do you purchase property and agree to make a certain amount of improvements?

Chairman Kelser: There are three ways to benefit from the tax standpoint. We're talking here only about Renaissance Zone funds. There's one way to benefit from this. A tax credit is offset on an investor's personal state income tax. Not federal, just state. I get a tax credit, I have up to six years to use it. If I want to go in and renovate a property, I can go to the community and get a property tax exemption. I can seek out other tax exemptions within the community.

Rep. Ruby: Do you go to the fund to get a low interest loan?

Chairman Kelser: The fund wants to take an equity position in a company. They want to own stock in the new company. They can do a start up, with seed capital, and if it takes off, the investors not only get the tax credit, but they make a lot of money. The risk is, they hold your money for six years and you don't make anything on it, you get the tax credit. Because of the lack of projects within the zone, investors have run their course, they are willing to invest, but what if the project won't locate in the zone? That's kind of unusual because there are so many advantages to being located in the zone. Higher tech companies want to be close to the colleges and universities.

Deanna D. Smith
Operator's Signature

10/21/03
Date

Page 4

House Industry, Business and Labor Committee

Bill/Resolution Number SB 2259

Hearing Date March 18, 2003

Rep. Kasper: So I have \$100,000. The day that I write my check to the fund, does that trigger the income tax credit for me? Regardless of when a project may or may not be underway? And then I have six years to recover up to 50% of my investment on my income tax credit? And if at the end of six years, I haven't recaptured my investment, I lose it? And it isn't deducted from what's remaining in the tax credit pool? When someone is an investor, there are no income tax credits to them, it's the city providing property tax credits or buy downs because the investor in the fund is getting the income tax credit, right?

Chairman Keiser: You're right about all those points, and I think that is so on the last point you mentioned. When I build a building in the zone, what are the tax advantages to me?

Art from Fargo: In that case, rather than an investor, the property owner qualifies, not only for property tax, but would also eligible for income tax abatement too. But that comes out of a separate pool. There's an income tax benefit as well, not only for the owner, but also for the businesses who are tenants in the property.

Rep. Kasper: So that's a separate bill under a separate statute, not what we're dealing with here in the renaissance zone, correct?

Chairman Keiser: In the renaissance zone package, but not this section. This is the *renaissance zone fund* section.

Rep. Zaiser: About the triggering of the next \$2.5 million, what if the downtown wanted more than half? Are they maxed out? If the demand is there, they can go after the remaining?

Chairman Keiser: All of it is open, but they are guaranteed 50%.

Rep. Ruby moved to adopt amendment .0202. **Rep. Ekstrom** seconded the motion.

The roll call vote results were: 13-0-1. The motion to adopt this set of amendments carried.

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House Industry, Business and Labor Committee
Bill/Resolution Number SB 2259
Hearing Date March 18, 2003

Rep. Dosch explained the other set of amendments before the committee. Ostensibly, this amendment proposes to change control of the Renaissance Fund from the municipality to the Department of Commerce.

Chairman Keiser: This constitutes a policy issue and I think it jeopardizes the entire bill.

Members from the Appropriation Committee have asked me about this and there is a great deal of concern about the loss of local control.

Rep. Zaiser: The initial bill was focused on the city or municipality. I think local control is important. We're talking about guaranteeing 50% within the zone itself, that's the primary impetus. If we exhaust those funds and come back in two years, then we can look at letting this go wide open. I resist this amendment.

Rep. Klein: What do these amendments really do?

Rep. Dosch: We're adding subsections 2 & 3.

Chairman Keiser: Currently, the Renaissance Zone Commission in a given locale has developed parameters for their project particular to their community. If we circumvent that group and go directly to the Department of Commerce, it would add another layer to the process. Control is transferred to the Department of Commerce by virtue of this set of amendments.

Rep. Kasper: I can't support that.

Rep. Kasper: What is the purpose of transferring that control?

Chairman Keiser: I think what we have is one strong renaissance zone fund/organization in the state that has contracts with cities to manage those zone funds that are dedicated to their zones.

That is a contractual arrangement that would cause problems for Art, here, because now, with the first amendment we just approved, we said they can spend money outside the zone, but his

Page 6
House Industry, Business and Labor Committee
Bill/Resolution Number SB 2259
Hearing Date March 18, 2003

contract says he has to spend that money in the zone. However, he'll have to renegotiate with his clients and add an addendum to his contracts. I don't think we should be changing this law.

Rep. Klein: So, if we approve this, we'll basically take it away from local control and move it into the Department of Commerce so the extra dollars can be spent outside the zone.

Rep. Ekstrom: Section F talks about establishing another fund and allowing that. I have some trouble with that. That's what my city favors.

Chairman Kelser: Leadership and appropriations have trouble with that notice.

Rep. Severson: If this goes through, there'd have to be another fund, right? But if it doesn't pass, it's a moot point. Correct?

Rep. Ekstrom: But we'd need this amendment to have the authority to establish another fund.

Rep. Zaiser: One concern that the city of Fargo has been trying to resolve is to clearly separate the Renaissance Fund from the outside the zone fund. That's the elusive support that Rep. Ekstrom is talking about. But I think the city is protected and I think Dave is comfortable.

Rep. Kasper: To be clear, this amendment, which is what Rep. Ekstrom says the city of Fargo wants an extra fund, has nothing to do with the extra fund, that's a separate issue, am I correct?

Chairman Kelser: It's item F that would create a separate fund. And, again, this will go to conference committee.

Rep. Ekstrom moved to adopt .0201.

Rep. Kasper seconded the motion for purposes of getting a roll call vote for the record.

Results of the roll call vote to adopt the amendments were: 2-10-2. **The motion failed.**

Rep. Severson moved a Do Pass As Amended. Rep. Klein seconded the motion.

Results of the roll call vote were 11-1-2. **Rep. Dosch will carry this on the floor.**

30419.0202
Title.

Prepared by the Legislative Council staff for
Representative Severson
March 12, 2003

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2259

Page 2, line 16, overstrike "one" and insert immediately thereafter "two" and after "million"
insert "five hundred thousand"

Page 2, line 17, overstrike "for taxable years beginning after"

Page 2, overstrike lines 18 through 26

Page 2, line 27, overstrike "of the initial limit" and after the period insert "A renaissance fund
organization that has received investments that qualify for these additional credits under
this subsection may not use more than fifty percent of such investments for organization
investments outside of a renaissance zone."

Page 3, line 17, overstrike "net"

Page 3, line 18, overstrike "after December 31, 2000,"

Page 3, line 19, after "chapter" insert ", including the use of investments, distinguishing
between organization investments made in renaissance zones and outside renaissance
zones" and overstrike "If the audit report shows"

Page 3, overstrike lines 20 through 25

Page 3, line 26, overstrike "Invested."

Page 4, line 1, remove "10.", overstrike "A renaissance fund organization may", remove "make
investments", and overstrike "in"

Page 4, line 2, overstrike "a", remove "designated renaissance", overstrike "zone", remove
"city", and overstrike the period

Renumber accordingly

Date: 3/18/03
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2259

House INDUSTRY BUSINESS & LABOR

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

30412 .0202

Action Taken

To Adopt Amendments (Severson)

Motion Made By

Ruby

Seconded By

Ekstrom

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	✓		Boe	✓	
Vice-Chair Severson	✓		Ekstrom	✓	
Dosch	✓		Thorpe	✓	
Froseth	✓		Zaiser	✓	
Johnson	✓				
Kasper	✓				
Klein	✓				
Nottestad	✓				
Ruby	✓				
Tieman	✓				

Total (Yes)

13

No

0

Absent

1

Floor Assignment

Dosch

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

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Operator's Signature

Deanna Waller

Date

10/21/03

30419.0201
Title.

Prepared by the Legislative Council staff for
Senator Grindberg
March 10, 2003

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2259

Page 1, line 1, after "reenact" insert "subsections 2 and 3 of section 40-63-01, subdivision d of subsection 3 of section 40-63-03, and"

Page 1, after line 3, insert:

"SECTION 1. AMENDMENT. Subsections 2 and 3 of section 40-63-01 of the North Dakota Century Code are amended and reenacted as follows:

2. "Development plan" means a written plan that addresses the criteria in subsection 1 of section 40-63-03 and includes the following:
 - a. A map of the proposed renaissance zone which indicates the geographic boundaries and blocks, a description of the properties and structures on each block, identification of those properties and structures to be targeted for potential zone projects, and a description of the present use and conditions of the targeted properties and structures.
 - b. A description of the existing physical assets, in particular natural or historical assets, of the zone and a plan for the incorporation and enhancement of the assets within the proposed development.
 - c. An outline of goals and objectives and proposed outcomes, including major milestones or benchmarks, by which to gauge success resulting from the designation of the zone.
 - d. A description of the types of projects the city would encourage in the city's targeted properties.
 - e. A description of the promotion, development, and management strategies to maximize investment in the zone.
 - f. A plan for the development, promotion, and use of participation in a renaissance fund organization, if one participation is desired to be established. If a city is not ready to commit to establishing participating in a renaissance fund organization, the city may indicate in the renaissance zone application the city's desire to submit a plan for approval at a later date.
 - g. Evidence of community support and commitment from residential and business interests.
3. "Investor" means the ~~individual, partnership, limited partnership, limited liability company, trust, or corporation~~ person making an investment in a renaissance fund organization.

SECTION 2. AMENDMENT. Subdivision d of subsection 3 of section 40-63-03 of the North Dakota Century Code is amended and reenacted as follows:

- d. Public and private commitment to and other resources available for the proposed renaissance zone, including ~~the provisions for~~ participation in a renaissance fund organization."

Page No. 1

30419.0201

Page 1, line 7, overstrike "establish" and insert immediately thereafter "participate in"

Page 1, line 8, overstrike "an organization" and insert immediately thereafter "participation"

Page 1, line 15, overstrike "individuals,"

Page 1, overstrike line 16

Page 1, line 17, overstrike "nonprofit organizations, and public entities" and insert immediately thereafter "any person"

Page 2, line 30, overstrike ", minus ten percent,"

Page 3, line 21, overstrike "been incorporated" and insert immediately thereafter "existed"

Page 3, line 23, overstrike "body of the city in which the organization was established determines" and insert immediately thereafter "bodies of participating cities determine"

Page 3, line 27, overstrike the second "the" and insert immediately thereafter "each participating" and overstrike "in which"

Page 3, line 28, overstrike "it was established"

Page 4, line 1, after "A" insert "person may establish a", overstrike "may", remove "make investments", and overstrike "in"

Page 4, line 2, overstrike "a", remove "designated renaissance", overstrike "zone", and replace "city" with "if the organization is authorized by the department of commerce division of community services"

Renumber accordingly

Date: 3/18/03
Roll Call Vote #: 1

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

House INDUSTRY BUSINESS & LABOR Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 30412 . 0201

Action Taken Adopt Amendment. (Grindberg)

Motion Made By Ekstrom Seconded By Kasper

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser		✓	Boe		✓
Vice-Chair Severson		✓	Ekstrom	✓	
Dosch		✓	Thorpe	✓	
Froseth		✓	Zaiser		✓
Johnson		✓			
Kasper		✓			
Klein		✓			
Nottestad		✓			
Ruby		✓			
Tieman		✓			

Total (Yes) 2 No 10

Absent 2

Floor Assignment _____

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

failed

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Deanna Waller
Operator's Signature

10/21/03
Date

Date: 3/18/03
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2252

House INDUSTRY BUSINESS & LABOR Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 30419.0202
.0300

Action Taken To Pass As Amended

Motion Made By Severson Seconded By Klein

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	✓		Boe		
Vice-Chair Severson	✓		Ekstrom		✓
Dosch	✓		Thorpe	✓	
Froseth	✓		Zaiser	✓	
Johnson	✓				
Kasper	✓				
Klein	✓				
Nottestad	✓				
Ruby					
Tieman	✓				

Total (Yes) 11 No 1

Absent 2

Floor Assignment Dosch

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

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10/21/03
Date

REPORT OF STANDING COMMITTEE (410)
March 19, 2003 8:27 a.m.

Module No: HR-49-5148
Carrier: Dosch
Insert LC: 30419.0202 Title: .0300

REPORT OF STANDING COMMITTEE

SB 2259, as engrossed: Industry, Business and Labor Committee (Rep. Kelser, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 1 NAY, 2 ABSENT AND NOT VOTING). Engrossed SB 2259 was placed on the Sixth order on the calendar.

Page 2, line 16, overstrike "one" and insert immediately thereafter "two" and after "million" insert "five hundred thousand"

Page 2, line 17, overstrike "for taxable years beginning after"

Page 2, overstrike lines 18 through 26

Page 2, line 27, overstrike "of the initial limit" and after the period insert "A renaissance fund organization that has received investments that qualify for these additional credits under this subsection may not use more than fifty percent of such investments for organization investments outside of a renaissance zone."

Page 3, line 17, overstrike "net"

Page 3, line 18, overstrike "after December 31, 2000,"

Page 3, line 19, after "chapter" insert ", including the use of investments, distinguishing between organization investments made in renaissance zones and outside renaissance zones" and overstrike "If the audit report shows"

Page 3, overstrike lines 20 through 25

Page 3, line 26, overstrike "invested."

Page 4, line 1, remove "10.", overstrike "A renaissance fund organization may", remove "make investments", and overstrike "in"

Page 4, line 2, overstrike "a", remove "designated renaissance", overstrike "zone", remove "city", and overstrike the period

Renumber accordingly

2003 TESTIMONY

SB 2259

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Deanna D. Hall
Operator's Signature

10/21/03
Date



"Bernie Sinner"
<bsinner@fsbnd.com>
>

To: <galee@nodak02.state.nd.us>, <jlee@state.nd.us>
cc:
Subject: SB 2259

02/06/2003 09:18 AM

Hi Gary and Judy,
I hope you are both enjoying your Bismarck experience this session. I sure appreciate the fact that you are both there, serving the needs of our area.

I wanted to just drop you a note of support for the work Art Rosenberg is doing on SB 2259. I serve on the Board of Directors for the Renaissance Venture Fund as well as the Casselton Renaissance Zone Authority. I believe the change that Art is proposing can do nothing but good for Casselton. It would provide some flexibility for investment by the fund and create a more inviting atmosphere for the private investor.

If you have any concerns or see things differently, please let me know.

Thanks for your time and again, thanks for serving!

Best Regards,

Bernie Sinner
Casselton
347-4540 (w)
347-5507 (h)

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Dennis D. Hall
Operator's Signature

10/21/03
Date



Rich Mattern
<Richard.Mattern@nd
u.nodak.edu>

To: "Judy E. Lee" <jlee@state.nd.us>
cc:
Subject: Re: renaissance zone funds - SB 2259

02/11/2003 01:14 PM

Judy: Larry will be sending you notes from our W. Fargo. Economic Development Advisory Committee meeting. We did endorse the bill along with the amendment which would limit those investments to cities which have renaissance zones. According to Art Rosenberg, the city of Fargo opposes the bill while such cities as Jamestown and Casselton have endorsed it. Leave it to Fargo to be a fly in the ointment.

I just had a pleasant chat with Mike McLeod over at city hall. He has been working for a few hours the past few days. He has a cot in his office if he gets tired or just needs to get off his feet. It was great to see him although difficult for me. He wanted to talk city business so that's what we did.

Just for your information, West Fargo, the School District and the Park District are looking at a major project down in the Eagle Run area. It would involve an elementary school, 100 acre park and an indoor recreation (slides etc.) & competitive pool. The park would have nature trails, a bike path along the diversion, a chalet for gatherings, cross country ski rentals, etc. The parking lot would be shared by the school and the park district. It would also have four softball diamonds, 4 baseball, 4-6 tennis courts, 4-6 basketball courts and a hockey rink. It will be a challenge doing the financial structure with the city taking the lead. I think, if we can pull this off, it would send a loud and clear message to West Fargo and regional residents that various governmental entities can work together on projects and that we are the city that can do it! Keep your fingers crossed on this one.

Again, thanks for all your hard work in Bismarck. We as a city certainly appreciate your efforts!

One last note. I'll probably be resigning as district chair in the very near future. I've really been feeling guilty about not getting stuff done for the district. I was hoping that once annexation was over that I would have more time to devote to the district. Unfortunately that has not happened. To be honest with you, I did not realize the difference between being a city commissioner and mayor. I thought I was doing a lot as a commissioner but it is nothing compared to my current workload! So I'll be trying to call a board meeting on a weekend in the very near future.

Thanks,
Rich

At 01:53 PM 2/10/03 -0600, you wrote:

>What is your position on the bill that would allow the venture capital fund
>to support projects out of the renaissance zone areas? There is an
>amendment which would limit those investments to cities which have
>renaissance zones and also some thought about limiting investments outside
>the zones to a certain percentage of the fund. The bill is SB 2259.

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12/21/03
Date



"Larry M. Weil"
<Larry.Weil@westfargo.org>

To: "Judy E. Lee" <jlee@state.nd.us>
cc:
Subject: RE: renaissance zone funds - SB 2259

02/11/2003 01:51 PM

Senator Lee,

The West Fargo Economic Development Advisory Committee met this morning and reviewed the Bill. The Committee discussed the merits of having more of a community development fund and intended only for use within the zone. However, having the flexibility to go elsewhere within the renaissance zone community would still have a positive impact on the community. There may be a greater chance of finding primary sector projects outside the zone. Under the current law, investor projects are not taking place. Without the changes, investors will not invest. There is a greater chance of benefit to the community with the proposed changes. The only risk we are taking as a community is that those funds which have been earmarked for West Fargo may go elsewhere. However, we may benefit from funds which are earmarked for another area coming here. These funds are not the community's funds, but rather the investors' funds. The Economic Development Advisory Committee, which is also the Zone Authority for the City, supports SB 2259 with the revision that the investment can be made anywhere within renaissance communities.

Mayor Mattern and Commissioner Bryan Schultz were in attendance at the meeting and will also bring this to the City Commission at their next meeting. We realize that this may be too late for the Senate Political Subdivisions Committee actions, but may be helpful as the process moves on.

The Committee also wanted me to convey to you that we are checking into HB 1457 as amended and passed by the House, to see how it might affect West Fargo. Generally it is seen as positive to provide for the opportunity to increase the renaissance zone area, because we had to leave out areas that we wanted to include when the zone was first established.

As always thank you for the opportunity to comment.

Larry Weil

-----Original Message-----

From: Judy E. Lee [mailto:jlee@state.nd.us]
Sent: Monday, February 10, 2003 1:53 PM
To: Richard.Mattern@ndsu.nodak.edu; Larry M. Weil
Subject: renaissance zone funds - SB 2259

What is your position on the bill that would allow the venture capital fund to support projects out of the renaissance zone areas? There is an amendment which would limit those investments to cities which have renaissance zones and also some thought about limiting investments outside the zones to a certain percentage of the fund. The bill is SB 2259.

Dennis D. Smith
Operator's Signature

10/21/03
Date

FUNDING PROGRAMS AVAILABLE TO BUSINESSES BY DEVELOPMENT STAGE (AS IDENTIFIED BY THE DEPARTMENT OF ECONOMIC DEVELOPMENT AND FINANCE)

The schedule below presents information provided by representatives of the Department of Economic Development and Finance on the various development stages of businesses, funding programs available to businesses in each development stage, and the categorization of bills under consideration by the 2001 Legislative Assembly in the various business stages. Appendix A provides definitions for the business development stages. Appendix B lists bills being considered by the 2001 Legislative Assembly relating to economic development. Appendix C provides information on North Dakota Development Fund projects approved during the 1999-2001 biennium to date.

Seed Financing	Startup Financing	First Stage Financing	Second Stage Financing	Third Stage Financing	Bridge Financing	Open Market Financing	Acquisition Financing	MEBOLBO Financing
Angel Investors	Certified Development Corporation (CDC) 504 program Micro loan program	ND Development Fund (debt and equity) Regional councils	ND Development Fund (debt and equity) Regional councils	Small Business Investment Center (SBIC) Financial institutions (Bank of North Dakota)	Small Business Investment Center (SBIC) Renewable fund	Public lending	Venture capital firm Buyout firm	Venture capital firm Buyout firm
Agricultural Products Utilization Commission (APUC)	USDA intermediary lending program (IFP) Local development corporation grants/equity (Star Fund, Maple Fund, Growth Fund)	Renewable fund Bank of North Dakota business development loan program Local development corporation Micro loan program	Renewable fund Certified Development Corporation (CDC) 504 program	ND Development Fund (debt and equity) Regional councils	ND Development Fund (debt and equity) Regional councils		Buyout firm ND Development Fund (debt and equity) Small Business Investment Center (SBIC)	Small Business Investment Center (SBIC)
Entrepreneur seed fund (HB 1040)	Local development corporation grants/equity (Star Fund, Maple Fund, Growth Fund)	Bank of North Dakota business development loan program Local development corporation Micro loan program	USDA intermediary lending program (IFP) Micro loan program Local development corporation	Investment bankers Local development corporation Certified Development Corporation (CDC) 504 program			Regional councils Renewable fund Financial institutions	
Business Products Utilization Commission (HB 1414)	ND Development Fund (debt and equity) Regional councils	Certified Development Corporation (CDC) 504 program USDA intermediary lending program (IFP) Farmers equity trust fund (HB 1051) Renewable zone Farmers equity trust fund (HB 1051) Renewable zone Venture Capital Corporation, Inc. (HB 1042) Rural growth incentive program (HB 1400)	Farmers equity trust fund (HB 1051) Renewable zone Venture Capital Corporation, Inc. (HB 1042) Rural growth incentive program (HB 1400) Seed capital investment tax credit changes (HB 1413)	USDA intermediary lending program (IFP) Renewable fund Micro loan program Renewable zone Rural growth incentive program (HB 1400) Mutual fund for state business investments (HB 1456)				
Corporate tax deductions for research and development (SB 2336)	Angel investors Renewable fund Farmers equity trust fund (HB 1051) Rural growth incentive program (HB 1400) Beginning farmers loan program (SB 2194) Seed capital investment tax credit (HB 1041)	Certified Development Corporation (CDC) 504 program USDA intermediary lending program (IFP) Farmers equity trust fund (HB 1051) Renewable zone Rural growth incentive program (HB 1400)	Farmers equity trust fund (HB 1051) Renewable zone Venture Capital Corporation, Inc. (HB 1042) Rural growth incentive program (HB 1400) Seed capital investment tax credit changes (HB 1413)	USDA intermediary lending program (IFP) Renewable fund Micro loan program Renewable zone Rural growth incentive program (HB 1400) Mutual fund for state business investments (HB 1456)				
Value-added agriculture entrepreneur program (SB 2375)								

ATTACH3

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Operator's Signature

Date

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Project Number	Type of Project	Address	Value of Improvements	Pre-Project Building Value	Estimated Post-Project Building Value	
1-F	Lightowler Johnson Associates	Rehabilitation	700 Main Ave	\$558,868	\$424,000	\$854,000
2-F	ST Architects	Rehabilitation	612 Main Ave	\$115,000	\$62,000	\$132,000
3-F	62 Broadway LLC	Rehabilitation	62 Broadway N	\$224,000	\$179,000	\$350,000
5-F	Catherine's Collectibles	Rehabilitation	609 NP Ave	\$115,911	\$51,000	\$125,000
6-F	Old Fargo LLC	Purchase W/Imp	521 1st Ave N.	\$3,500,000	\$120,000	\$3,000,000
7-F	Global Acquisitions	Rehabilitation	22 Broadway	\$463,800	\$223,820	\$475,000
8-F	Swanson Properties	Rehabilitation	613 1st Ave N.	\$1,200,000	\$157,000	\$1,200,000
9-F	Barrington Corporation	Lease	52 Broadway			
10-F	Keroson Corporation	Lease	52 Broadway			
11-F	Foss Associates	Purchase	812 1st Ave N.	\$580,000	\$0	\$580,000
12-F	Renaissance Partners	Rehabilitation	220 Broadway	\$332,622	\$108,000	\$380,000
13-F	Kilbourne Design Group	Rehabilitation	17 8th Street N.	\$3,836,000	\$201,000	\$3,600,000
14-F	Renaissance Partners	Rehabilitation	303-305 Roberts	\$685,224	\$65,000	\$700,000
15-F	Rodenberg & McEriane	Rehabilitation	107 Roberts Street	\$244,298	\$119,000	\$250,000
16-F	Sterling Development Group 6	Rehabilitation	302-304 NP Ave	\$1,750,000	\$114,000	\$1,500,000
17-F	Bridger Consulting	Lease	52 Broadway			
18-F	Gibb Building	Lease	22 Broadway			
19-F	Bornhem Enterprises	Rehabilitation	315 Main Avenue	\$221,430	\$57,000	\$300,000
20-F	Alan & Sharon Carlson	Purchase	404 8th Street S.	\$2,000,000	\$153,300	\$2,000,000
21-F	Barrington Corporation	Lease	52 Broadway			
22-F	Fargo Linoleum	Rehabilitation	317 Roberts St	\$141,440	\$49,000	\$200,000
23-F	MEAD Development	Lease	302-304 NP Ave			
24-F	Sandwich Companies	Lease	302-304 NP Ave			
25-F	Feder Properties	Rehabilitation	310 NP Ave	\$140,000	\$30,000	\$100,000
26-F	Gibb Building	Purchase	502 1st Ave N	\$200,000	\$900,000	\$900,000
27-F	Vogel Law Offices	Purchase W/Imp	218 NP Ave	\$2,440,322	\$246,800	\$3,355,984
28-F	Michael F. Beaton	Purchase	723 NP Avenue	\$66,820	\$144,000	\$210,000
29-F	62 Broadway LLC	Purchase	54, 58, 60 Broadway	\$1,800,000		\$1,800,000
30-F	Kurt Kiefer	Purchase W/Imp	318, 324 NP Avenue	\$100,000	\$316,000	\$400,000
31-F	Morris Downtown	Lease	220 Broadway			
32-F	R D Offutt Company	Purchase W/Imp	700 7th Street S.	\$1,416,183	\$1,900,000	\$3,000,000
33-F	Wimmer 602	Rehabilitation	802 Main Avenue	\$135,000	\$80,600	\$148,700
34-F	Wimmer 604	Rehabilitation	604 Main Avenue	\$90,000	\$81,100	\$105,800
35-F	Saucke	Rehabilitation	514-520 1st Ave. N.	\$130,950	\$128,000	\$200,000
36-F	Norm Robinson	Lease	300 NP Avenue			
37-F	John Rodenberg	Lease	107 Roberts Street			
38-F	Rooter's Bar	Rehabilitation	105-107 Broadway	\$103,910	\$141,100	\$300,000
39-F*	Alliance Information Mgmt	Lease	302-304 NP Ave			
40-F	Alan & Sharon Carlson	Rehabilitation	409 7th St. S	\$ 180,000	\$ 87,300	\$ 236,000
41-F	Living Deliberately, Inc	Lease	300 NP Avenue			
42-F	David & Fayet Baker #202	Residential Purchase	404 8th Street S			
43-F	Kathomas & Mary Brunzdale #202	Residential Purchase	404 8th Street S			
44-F*	Carl & Carol Wall #302	Residential Purchase	404 8th Street S			
45-F*	Haran & Joan Giese #204	Residential Purchase	404 8th Street S			
46-F*	Herb & Ann Siemens #301	Residential Purchase	404 8th Street S			
47-F*	Margaret Barnard #203	Residential Purchase	404 8th Street S			
48-F*	Luger Investments, LLC	Rehabilitation	12 Broadway	\$ 648,995	\$ 93,600	\$ 800,000
TOTAL:				\$23,220,473	\$6,191,620	\$27,162,484
	Rehabilitation	19			Average 5-year benefit per project	
	Purchase	7			Average annual tax impact per project	
	Purchase W/Imp	4		Annual		
	Lease	12		Pre-project tax	\$ 149,841	
	Residential Purchase	6		Post-project tax	\$ 648,270	
		48		Total recapture in the 8th year and beyond		

Operator's Signature _____

Date