

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1019

Page 1, line 3, after the second semicolon insert "to authorize a mutual fund capital pool;"; after "sections" insert "4-14.1-03.1," and after "4-14.1-07" insert a comma

Page 1, line 4, after "to" insert "grant repayments and"

Page 1, line 5, after "purposes" insert "; to provide for a legislative council study; to provide legislative intent"

Page 1, line 13, replace "2,358,086" with "2,798,086"

Page 1, line 14, replace "2,008,447" with "2,158,447"

Page 1, line 15, replace "66,358" with "96,358"

Page 1, line 16, replace "1,078,061" with "2,308,061"

Page 1, remove line 17

Page 1, line 18, replace "800,000" with "550,000"

Page 1, line 19, replace "3,985,911" with "4,535,911"

Page 1, line 20, replace "10,896,863" with "12,446,863"

Page 1, line 21, replace "3,693,075" with "4,293,075"

Page 1, line 22, replace "7,203,788" with "8,153,788"

Page 1, after line 22, insert:

"SECTION 2. APPROPRIATION. There is hereby appropriated out of any moneys in the agricultural fuel tax fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to the agricultural products utilization commission for the purpose of obtaining assistance in resolving beef industry trade issues, for the biennium beginning July 1, 1999, and ending June 30, 2001. Notwithstanding any other provisions of law, the agricultural products utilization commission may use these funds to obtain the assistance of the ranchers and cattlemen action legal foundation."

Page 2, line 10, replace "\$1,507,000" with "\$2,207,000"

Page 2, line 12, replace "\$1,500,000" with "\$2,200,000"

Page 3, line 10, replace "\$1,500,000" with "\$2,200,000"

Page 3, line 11, replace "\$750,000" with "\$1,100,000"

Page 3, line 16, replace "\$800,000" with "\$550,000"

Page 4, after line 6, insert:

"SECTION 10. AMENDMENT. Section 4-14.1-03.1 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-14.1-03.1. Agricultural products utilization commission - Authority. The North Dakota agricultural products utilization commission may apply for, accept, and expend any appropriation, grant, gift, or service made available from public or private sources consistent with the purpose of this chapter. The commission may administer grant programs consistent with the purpose of this chapter including a basic and applied research grant program, utilization and marketing grant program, cooperative marketing grant program, farm diversification grant program, agricultural prototype development grant program, and a North American marketing grant program. The commission may require, by contract, repayment of a grant, in whole or in part, if the grant recipient does not fulfill the conditions under which the grant was awarded."

Page 4, line 14, replace "seven" with "twelve"

Page 4, line 21, after "million" insert "one hundred thousand"

Page 4, line 22, overstrike "ethanol plant that was in operation before July 1,"

Page 4, overstrike line 23

Page 4, line 24, overstrike "ethanol in the previous fiscal year and an"

Page 4, line 25, overstrike "are each" and insert immediately thereafter "is"

Page 4, after line 27, insert:

"SECTION 12. MUTUAL FUND CAPITAL POOL - AUTHORIZATION. The department of economic development and finance, in conjunction with the agricultural products utilization commission, may establish a mutual fund capital pool to attract farm and nonfarm investments in value-added processing projects."

Page 5, after line 16, insert:

"SECTION 14. CONTINGENT ETHANOL INCENTIVE PAYMENTS. In addition to the ethanol incentive payments provided in section 1 of this Act and not withstanding any other sections of law, there is hereby appropriated \$300,000, or so much of the sum as may be necessary, from the highway tax distribution fund for the biennium beginning July 1, 1999, and ending June 30, 2001, for the purpose of providing production incentives to any ethanol plant that becomes operational after July 1, 1999. An eligible plant is entitled to receive ten cents for each gallon of agriculturally derived fuel as defined in this Act produced in the state which is marketed by the producing plant to a distributor or wholesaler for sale within North Dakota.

SECTION 15. LEGISLATIVE COUNCIL STUDY - ECONOMIC DEVELOPMENT AND FINANCE EFFORTS. The legislative council shall consider studying during the 1999-2000 interim the economic development efforts in the state, including the provision of economic development services statewide and the related effectiveness, the potential for the privatization of the department of economic development and finance, and the appropriate location of the North Dakota development fund, including the potential transfer of the fund to the Bank of North Dakota.

SECTION 16. LEGISLATIVE INTENT - GRANTS LINE ITEM. It is the intent of the legislative assembly that \$150,000 of the grants line item in section 1 of this Act be available for the manufacturing technology partnership.

SECTION 17. LEGISLATIVE INTENT - GRANT ALLOCATION - UNITED STATES DEPARTMENT OF AGRICULTURE DESIGNATED CHAMPION COMMUNITIES. It is the intent of the legislative assembly that \$50,000 of the grants line item in section 1 of this Act be allocated to provide matching funds on a dollar-for-dollar basis to United States department of agriculture designated champion communities for the funding of an economic development coordinator employed by the champion communities to assist in economic development. Local matching funds may be in cash or in-kind contributions."

Page 5, line 17, replace "10" with "13"

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 601 - DEPARTMENT OF ECONOMIC DEVELOPMENT AND FINANCE

SENATE - This amendment makes the following changes:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$3,041,771	\$2,358,086	\$440,000	\$2,798,086
Operating expenses	2,158,447	2,008,447	150,000	2,158,447
Equipment	96,358	66,358	30,000	96,358
Grants	1,518,061	1,078,061	1,230,000	2,308,061
General allocation grants	750,000	600,000	(600,000)	
North Dakota Development Fund	1,000,000	800,000	(250,000)	550,000
Agricultural Products Utilization Commission	4,085,911	3,985,911	550,000	4,535,911
Separate section - APUC			100,000	100,000
Total all funds	\$12,650,548	\$10,896,863	\$1,650,000	\$12,546,863
Less special funds	<u>3,695,701</u>	<u>3,693,075</u>	<u>700,000</u>	<u>4,393,075</u>
General fund	\$8,954,847	\$7,203,788	\$950,000	\$8,153,788
FTE	29.00	26.00	0.00	26.00

Detail of Senate changes to the House version includes:

	RESTORE SALARIES AND WAGES	RESTORE OPERATING EXPENSES	RESTORE EQUIPMENT	COMBINE GRANTS AND INCREASE BY \$630,000	REDUCE DEVELOPMENT FUND	REDUCE AGRICULTURAL PRODUCTS UTILIZATION COMMISSION
Salaries and wages	\$440,000					
Operating expenses		\$150,000				
Equipment			\$30,000			
Grants				\$1,230,000		
General allocation grants				(600,000)		
North Dakota Development Fund					(\$250,000)	
Agricultural Products Utilization Commission						(\$150,000)
Separate section - APUC						
Total all funds	\$440,000	\$150,000	\$30,000	\$630,000	(\$250,000)	(\$150,000)
Less special funds						(100,000)
General fund	\$440,000	\$150,000	\$30,000	\$630,000	(\$250,000)	(\$50,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	INCREASE APUC LINE ITEM TO PROVIDE \$2,200,000 OF ETHANOL INCENTIVES	ADD FUNDING FOR RESOLVING BEEF INDUSTRY TRADE ISSUES	TOTAL SENATE CHANGES			

Salaries and wages			\$440,000
Operating expenses			150,000
Equipment			30,000
Grants			1,230,000
General allocation grants			(600,000)
North Dakota Development Fund			(250,000)
Agricultural Products Utilization Commission	\$700,000		550,000
Separate section - APUC		\$100,000	100,000
Total all funds	\$700,000	\$100,000	\$1,650,000
Less special funds	700,000	100,000	700,000
General fund	\$0	\$0	\$950,000
FTE	0.00	0.00	0.00

Senate changes narrative:

These amendments restore \$440,000 of the House reduction of \$650,000 to salaries and wages; restore the \$150,000 reduction to operating expenses; restore the \$30,000 reduction to equipment; combine the grants line items, restore the House reductions of \$590,000, and add \$40,000; reduce the Development Fund by \$250,000; and reduce Agricultural Products Utilization Commission by \$50,000, all from the general fund. The director may use the grants line item for funding to the regional economic development councils. The Agricultural Products Utilization Commission line item is reduced by \$100,000 from the agricultural fuel tax fund, and \$100,000 from this fund is appropriated to the Agricultural Products Utilization Commission in a separate section to be used for resolving beef industry trade issues.

These amendments also make the following changes:

- Increase the ethanol plant production incentives from \$1,500,000 to \$2,200,000.
- Increase the maximum production incentive that may be paid annually from \$750,000 to \$1,100,000.
- Extend the number of years that an ethanol plant may receive the incentives, if in operation before July 1, 1995, from seven in the engrossed bill to 12.
- Provide for contingent ethanol incentive payments of \$300,000 for a plant that becomes operational after July 1, 1999. An eligible plant may receive 10 cents per gallon of agriculturally derived fuel (equivalent 40 cents per gallon for 25 percent of production). (Section 14)
- Amend Section 4-14.1-03.1 regarding Agricultural Products Utilization Commission authority. (Section 10)
- Authorize Economic Development and Finance to establish a mutual fund capital pool. (Section 12)
- Provide for a Legislative Council study of economic development. (Section 15)
- Provide legislative intent regarding grants. (Sections 16 and 17)