

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2306

2001. SENATE INDUSTRY, BUSINESS AND LABOR

SB 2306

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2306

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date February 6, 2001.

Tape Number	Side A	Side B	Meter #
1		x	7.7 to 50.5
2		x	48.2 to 49.5
Committee Clerk Signature <i>Doris E. Perez</i>			

Minutes:

The meeting was called to order. Committee members absent: Senator Mathern and Senator Krebsbach. Hearing was opened on SB 2306 to provide minimum wage requirements for economic development projects.

SENATOR CAROLYN NELSON, District 21, cosponsor of this bill. Written testimony attached.

SENATOR LINDA CHRISTENSON: Cosponsor, urges do pass.

JOHN RISCH: UTU, A living wages proposal provides accountability to taxpayers since low wage earners qualify for federal assistance. Unemployment rate is low, the problem is under employment. Focus of better paying jobs should be the overall goal of economic development.

Bill refers to full time employees, urge do pass.

SENATOR MUTCH: What is a full time employee?

J RISCH: It is not defined in the bill, usually one who works 40 hrs. Some say 32 hrs.

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SENATOR KLEIN: Wouldn't we be denying people in rural areas job opportunities?

J RISCH: Demand for employees has outweighed amount of money available. (Handed out copies of article from The Bismarck Tribune) (enclosed)

SENATOR AARON KRAUTER, District 35. We need to change image of low wage state. We need return on our investment and are asking for a living wage in doing so. There is a need to provide good paying jobs to stop our workforce from leaving the state. This would be a good return for money put in economic development.

DAVE KEMNITZ, NDAFL-CIO, Supports this bill. Example: cheaper wheat resulted in more wheat which resulted in cheaper wheat; now we are talking about importing foreign workers.

SENATOR ESPEGARD: You are talking about paying \$8.50/hr, how far off are we today?

D KEMNITZ: Depends on the job, fast foods are \$7.00 or better. In remote areas there is less chance for competitive wages but if we are going to use tax dollars let strive for something higher.

All committee members present now.

GAIL ERICKSON, ND Progressive Coalition, in favor of this bill. Written testimony and handouts attached.

SENATOR TOLLEFSON: Part of the incentive offered to companies to come is the quality of the workers and the wages, wouldn't this affect economic development?

G ERICKSON: This bill would apply only to those receiving tax payers economic development money.

BILL BUTCHER, State Director, NFIB, in opposition. Written testimony attached.

BILL SHALLHOOB, GNDA, Oppose this bill. We maintain present system has worked. Bill not needed for large cities, because of competition for employees they have to pay over \$10.00/hr. In

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Senate Industry, Business and Labor Committee

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Hearing Date 02/06/01

rural areas, where essential services are needed for economic development, a \$8.00 minimum wage would not attract employers, for them this bill would be detrimental.

JENY HJELMSTAD, ND League of Cities, in opposition. This bill would remove flexibility from communities to determine wages that are beneficial to them.

Hearing closed.

Committee reconvened. All members present. Standards for living wage submitted by J.

Hjelmstad distributed. Discussion held.

SENATOR KLEIN: Move do not pass. SENATOR KREBSBACH: Second.

Roll call vote: 5 yes; 2 no. Motion carried. Carrier: SENATOR KREBSBACH.

Note: Written testimony submitted by Dakota Resource Council on 2/09/01 to be included in the record.

FISCAL NOTE
 Requested by Legislative Council
 01/23/2001

Bill/Resolution No.: SB 2306

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.*

SB 2306 sets the minimum salaries for full-time employees of projects receiving financial assistance from economic development programs at or above the federal poverty level for a family of four. The fiscal impact of SB 2306 cannot be determined.

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

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

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:	02/05/2001

Date: 2/06/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2306

Senate Industry, Business and Labor Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken DNP

Motion Made By Sen Klein Seconded By Sen Krebsbach

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every		✓
Senator Klein - Vice Chairman	✓		Senator Mathern		✓
Senator Espegard	✓				
Senator Krebsbach	✓				
Senator Tollefson	✓				

Total (Yes) 5 No 2

Absent 0

Floor Assignment Sen Krebsbach

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

REPORT OF STANDING COMMITTEE (410)
February 6, 2001 1:21 p.m.

Module No: SR-21-2491
Carrier: Krebsbach
insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2306: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends DO NOT PASS (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2306 was placed on the Eleventh order on the calendar.

2001 TESTIMONY

SB 2306



NORTH DAKOTA SENATE



Senator Carolyn Nelson
District 21
1125 College Street
Fargo, ND 58102-3433

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360

COMMITTEES:
Judiciary
Government and Veterans
Affairs

Senate Bill 2306 seems responsible to me. Granted, I do not come from this era. I grew up when you bought what you could afford and you didn't seek outside help. Our parents and grandparents lived that way too. We brag about our work ethic in North Dakota. It didn't happen overnight; it came from a tradition that's now waning.

Today, we seem to use a bribe system - large signing bonuses for athletes, large tax abatements, tax credits or land to large businesses, "incentives" to do a variety of things. But what do we get in return? High ticket prices which most of us can't afford and the opportunity to have 2 or more jobs per family so we can survive in today's society. Our limited public dollars should NOT be subsidizing poverty wage work.

North Dakota's unemployment rate in 1999 was 3.4%. This is deceiving due to the number of people working part-time and multiple jobs. The Tax Commissioner "advertises" on his website that "new and expanding companies offering higher-than-average wage jobs have been pleased..." The tax department says that the 1999 per capita income was \$23,313, that's \$11.21 per hour.

At first blush, \$11.21 doesn't seem like a bad wage. Let's see if that will be enough to keep us from footing a double (or more) bill. Consider what qualifies a family for subsidies. To get food stamps, the government says gross income should be 130% of poverty for a family of 4 - that's \$22,165 or \$10.66 per hour. That means that the poverty level must be \$17,050, which would be \$8.20 per hour. And of course there is other assistance available - CHIPS, subsidized housing and heat, the WIC program, etc. I get a bit upset when an employer talks about how little he has to pay good workers.

This is a simple bill, it just says "if you use public dollars, you demonstrate a commitment to providing decent family supporting jobs in the community that's put it's trust in you".