



Legislative Update

February 13, 2009 - No. 7

Session nears crossover

Feb. 20 is the official crossover date and next week will mainly consist of final committee work and getting bills out of the House or Senate. The Legislature will be in recess February 20, 23 and 24.

Revised State Revenue Forecast

On Monday, Feb. 9, the ND Office of Management and Budget (OMB) presented an updated budget forecast to the House and Senate Appropriations Committees. The forecast estimates strong tax revenues in the next biennium, despite low oil prices and national recession impacts on the state. According to Economy.com's projection, the state will have a reserve of nearly \$1 billion at the end of the next biennium. This number is below the \$1.2 billion forecasted in November, but above OMB's most conservative scenario of \$800 million. Although the budget outlook was favorable, it is still too early to tell how the budget forecast will impact legislators' decisions on state spending. Some legislative leaders reportedly feel the forecast was too optimistic and caution closely monitored and possibly downsized spending to keep the state's economy strong.

Key Hearings Held Feb. 9-13

SB 2040 – Support

SB 2040 was heard before the Senate Appropriations Committee on Feb. 13. This bill provides a sales and use tax exemption for new or replacement equipment used for telecommunications infrastructure development. ITCND supported this bill at this hearing and at its initial hearing before the Senate Finance and Taxation Committee on Jan. 13.

SB 2226 – Support

SB 2226 was heard before the Senate Appropriations Committee Feb. 9. This bill expands the current technology occupations loan forgiveness program to include students graduating from a North Dakota college or university and working in the fields of science, technology, engineering and math (STEM). It increases the maximum amount and duration of loan forgiveness from \$1,000 for up to three years to \$2,000 for up to five years. The total appropriation for this portion of the bill is \$2.9 million, which is included in the Governor's budget and in SB 2003 (ND University System appropriation). The bill would increase the number of students eligible for the program and increase the amount of loan forgiveness available, thus, incentivizing more students in STEM fields to work in North Dakota post-graduation. It was given a 5-0 "do pass with amendment" recommendation from the Senate Education Committee on Feb. 4. The amendment did not relate to the STEM portion of the bill. It was rereferred to the Senate Appropriations Committee. ITCND supported this bill at its hearings on Jan. 28 and Feb. 9. Attached is the testimony of Deana Wiese.

Status of Key Bills

HB 1065 – Support

HB 1065 was defeated in the House 18-74 after its second reading Feb. 6. This bill contained funding for Operation Intern and \$1 million for marketing to out-of-state students. It had originally received a 14-0 "do not pass" recommendation from the House Education Committee Feb. 3. The committee did not support the portion of the bill that provided funding for marketing to out-of-state students. It does support the funding for Operation Intern, but the \$1.2 million is also included in the Department of Commerce's appropriation bill, SB 2018. ITCND supported SB 2018 at its hearing on Jan. 16.

SB 2269 – Support

SB 2269 passed the Senate 46-0 Feb. 11. This bill builds on the angel fund investment income tax credit that was established during the 2007 session. The tax credit provides an incentive for pools of investors, or angel funds, to invest in high risk economic development projects, which may include IT entrepreneurial ventures. It provides further definition of the composition of an angel fund to guard against potential abuse of the credit by investors. It also makes all or part of the unused credit transferable by an angel fund investor with the intention of opening doors for additional capital investment. The amendment clarified several phrases and removed the item containing information relating to selling, assigning or transferring unused credit. ITCND supported this bill at its hearing on Jan. 27.

Hearing Schedule and Status Report (Feb. 16-20)

The hearing schedule and status of bills being tracked by ITCND are attached. We will not be offering testimony on all of these bills, but are tracking them because they have a direct or indirect impact on information technology issues, either at the state agency level, political subdivision level or in private business.

For More Information

If at any time you need additional information or know of others who are interested in receiving this report, contact Annika Nelson, ITCND assistant executive director, at office@itcnd.org or 701-355-4458.

Copies of bill drafts and information about the 61st Legislative Session can be found at the Bills and Resolutions link on the North Dakota Legislative Council website at www.legis.nd.gov/.

How to Contact Your Legislators

During a legislative session, a legislator can be reached at the State Capitol through e-mail or by leaving a message with the legislative telephone message center at 888-NDLEGIS (635-3447) or 701-328-3373 (local). These numbers can also be used to obtain information on bills under consideration. Otherwise, a legislator can be reached by mail or e-mail at the address listed in the legislator's bio online under the 61st Legislative Assembly link at www.legis.nd.gov/assembly/61-2009.

Addressing Mail Correspondence

To a Senator:

Honorable (full name)
State Senator
600 E. Boulevard Ave.
Bismarck, ND 58505

Dear Senator (last name)

To a Representative:

Honorable (full name)
State Representative
600 E. Boulevard Ave.
Bismarck, ND 58505

Dear Representative (last name)

2009 Legislative Deadlines

Date

February 20
February 20, 23-24
March 5
April 10
April 30

Topic

Crossover for bills
Recess
Crossover for resolutions
Good Friday
Session is limited to 80 legislative days

Legislative Bills Tracked (to date)

Appropriation Bills

[SB 2003](#) – North Dakota University System – Support
[SB 2016](#) – Job Service North Dakota – Support
[SB 2018](#) – ND Department of Commerce – Support
[SB 2019](#) – North Dakota Department of Career and Technical Education – Support
[SB 2021](#) – Information Technology Department – Support

Other Bills

[HB 1144](#) – Relating to confidentiality of information contained in records – Track
[HB 1202](#) – Relating to entrepreneurship awards; relating to the Bank of North Dakota and North Dakota development fund, incorporated, use of funds for entrepreneurship awards; and to provide an expiration date – Track
[SB 2040](#) – Sales and use tax exemption for telecommunications infrastructure equipment – Support
[SB 2062](#) – Opportunity grant for North Dakota high school graduates and new graduates earned income deduction – Track
[SB 2110](#) – Expands Operation Intern to include apprenticeships and participation from 11th and 12th graders – Support
[SB 2131](#) – Relating to service charges for recycling and disposal for surplus property – Track

- [SB 2226](#) – Relating to student financial assistance grants and technology grants – Support
- [SB 2269](#) – Relating to angel fund investment income tax credits – Track
- [SB 2325](#) – Relating to the streamlined sales tax agreement – Track
- [SB 2347](#) – Relating to gross receipts from the sale of items delivered electronically – Track
- [SB 2390](#) – Relating to the establishment and development of certified technology parks – Track