

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2019

Page 1, line 2, remove ", to the Bank of North Dakota for economic development,"

Page 1, line 3, remove "for grants"

Page 1, line 4, remove the first "and" and replace "sections 4-01-19," with "section  
57-43.1-03.1"

Page 1, line 5, remove "4-14.1-04, subsection 4 of section 10-30.5-02, and section 10-30.5-05"

Page 1, line 6, replace "the pride of Dakota program, the agricultural products utilization" with  
"tax refunds for fuel used for agricultural purposes; and to provide for application."

Page 1, remove line 7

Page 1, line 15, replace "1,634,811" with "2,421,849"

Page 1, line 16, replace "1,591,673" with "1,581,995"

Page 1, replace lines 20 through 22 with:

"North Dakota development fund 1,909,875"

Page 1, line 23, replace "12,457,802" with "7,986,550"

Page 2, line 1, replace "4,812,671" with "298,428"

Page 2, line 2, replace "7,645,131" with "7,688,122"

Page 2, replace lines 3 through 9 with:

**"SECTION 2. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the agricultural products utilization commission for the purpose of defraying the expenses of the agricultural products utilization commission, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$ 150,575
Operating expenses	76,518
Equipment	3,350
Grants	2,425,571
Ethanol incentive	<u>1,500,000</u>
Total all funds	\$4,156,014
Less estimated income	<u>3,072,150</u>
Total general fund appropriation	\$1,083,864"

Page 2, line 11, replace "1" with "2" and after "Act" insert "relating to agricultural products utilization commission activities"

Page 2, line 19, replace "\$3,007,000" with "\$1,507,000"

Page 2, line 21, replace "\$3,000,000" with "\$1,500,000"

Page 2, line 22, after "to" insert "the Grafton,", after "Dakota" insert a comma, and replace "plants" with "plant"

Page 3, line 3, after the period insert "If any ethanol plant that did not receive production incentives during the fiscal year ending June 30, 1997, is eligible for production incentives on July 1, 1998, for the fiscal year ending June 30, 1999, incentive payments, only fifty percent of the authorized production incentives, up to a total of \$250,000, may be provided to an ethanol plant that produced fifteen million gallons or more of ethanol in the previous fiscal year."

Page 3, line 15, replace "\$1,410,380" with "\$1,909,875"

Page 3, line 16, replace "technology transfer" with "North Dakota development"

Page 3, line 23, replace "president of the Bank of North Dakota" with "director of the department of economic development and finance" and replace "president of the Bank of North" with "director of the department of economic development and finance"

Page 3, line 24, remove "Dakota"

Page 4, replace lines 10 through 30 with:

**"SECTION 10. AMENDMENT.** Section 57-43.1-03.1 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**57-43.1-03.1. (Effective until December 31, 1999) Refund of tax for fuel used for agricultural purposes - ~~Reduction for agricultural fuel tax fund~~**

**Reductions.** Any person who buys or uses any motor vehicle fuel for agricultural purposes, except motor vehicle fuel used in motor vehicles operated or intended to be operated in whole or in part upon any of the public highways of this state on which the motor vehicle fuel tax has been paid, must be reimbursed or repaid within the time provided in this chapter, the amount of the tax paid upon the presentation to and the approval of the commissioner of a claim for refund. The amount of the tax refund provided for in this section must be reduced by ~~four~~ seven cents per gallon [3.79 liters] except for those fuels used in aircraft or with respect to refunds claimed by aircraft fuel users, ~~two~~. Two cents per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural fuel tax fund ~~and two cents, one cent~~ per gallon [3.79 liters] withheld from the refund must be retained in the highway tax distribution fund, ~~and four cents per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural research fund.~~ Those persons who have a valid tax assignment permit issued by the commissioner under section 57-43.1-11 must be charged ~~four~~ eight cents per gallon [3.79 liters] by the dealer and the ~~four~~ eight cents charged must be remitted to the commissioner by the dealer when the dealer submits the tax assigned invoices for credit.

**(Effective January 1, 2000) Refund of tax for fuel used for agricultural purposes - ~~Reduction for agricultural fuel tax fund~~ **Reductions.**** Any person who buys or uses any motor vehicle fuel for agricultural purposes, except motor vehicle fuel used in motor vehicles operated or intended to be operated in whole or in part upon any of the public highways of this state on which the motor vehicle fuel tax has been paid, must be reimbursed or repaid within the time provided in this chapter, the amount of the tax paid upon the presentation to and the approval of the commissioner of a claim for

refund. The amount of the tax refund provided for in this section must be reduced by ~~two~~ six cents per gallon [3.79 liters] except for those fuels used in aircraft or with respect to refunds claimed by aircraft fuel users, ~~two~~. Two cents per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural fuel tax fund and four cents per gallon [3.79 liters] withheld from the fund must be deposited in the agricultural research fund. Those persons who have a valid tax assignment permit issued by the commissioner under section 57-43.1-11 must be charged ~~two~~ six cents per gallon [3.79 liters] by the dealer and the ~~two~~ six cents charged must be remitted to the commissioner by the dealer when the dealer submits the tax assigned invoices for credit.

**SECTION 11. APPLICATION.** Section 10 of this Act applies to refund claims for motor vehicle fuel taxes paid after December 31, 1996."

Page 5, remove lines 1 through 24

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 601 - DEPARTMENT OF ECONOMIC DEVELOPMENT AND FINANCE

HOUSE - This amendment makes the following changes:

	1997-99 EXECUTIVE RECOMMENDATION	SENATE CHANGES	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$ 2,421,849	\$ (787,038)	\$ 1,634,811	\$ 787,038	\$ 2,421,849
Operating expenses	1,591,673		1,591,673	(9,678)	1,581,995
Equipment	34,000		34,000		34,000
Grants	1,313,141		1,313,141		1,313,141
General allocation grants	725,690		725,690		725,690
Technology Transfer, Inc.	1,410,380		1,410,380	(1,410,380)	
Development fund	1,909,875	(1,909,875)		1,909,875	1,909,875
Agricultural Products Utilization	5,598,107		5,598,107	(5,598,107)	
Pride of Dakota	<u>150,000</u>		<u>150,000</u>	<u>(150,000)</u>	
Total	\$15,154,715	\$ (2,696,913)	\$12,457,802	\$ (4,471,252)	\$7,986,550
General fund	\$10,342,044	\$ (2,696,913)	\$ 7,645,131	\$ 42,991	\$ 7,688,122
Special funds	4,812,671		4,812,671	(4,514,243)	298,428
FTE	30	(9)	21	6	27
Other changes -					

This amendment:

Restores the transfers made by the Senate from the Department of Economic Development and Finance to the Bank of North Dakota, including funding for five FTE positions relating to the fund (\$490,577), and removes related Sections 14 and 15, added by the Senate.

Restores general fund appropriation authority to the Department of Economic Development and Finance in lieu of an appropriation to the Bank of North Dakota from the Bank's earnings for the North Dakota development fund line item as contained in the Senate version.

Restores the authority for four FTE positions and related general fund appropriation authority of \$296,461.

Removes \$1,410,380 from the general fund and three related FTE positions to delete funding for Technology Transfer, Inc.

Removes funding of \$150,000 from the general fund for the Pride of Dakota program to be funded in the Department of Agriculture.

Removes Sections 10, 11, and 12 of the reengrossed bill, added by the Senate, relating to legislative intent for Technology Transfer, Inc., funds, a Bank of North Dakota development specialist, and the Pride of Dakota program, respectively.

Reduces operating expenses by \$9,678 from the general fund and the Agricultural Products Utilization Commission line item by \$645 of special funds to remove risk management premiums.

Reduces the ethanol production incentives appropriation, contained in the agricultural products utilization line item, from the highway tax distribution fund by \$1,500,000, from \$3,007,000 to \$1,507,000. Related changes are made to Section 5 regarding the amount of funds available from the highway tax distribution fund for the ethanol production incentives program.

Adds Section 10 which provides for a refund of tax for fuel used for agricultural purposes. Effective until December 31, 1999, the amount of the tax refund must be reduced by seven cents per gallon. Effective January 1, 2000, the amount of the tax refund must be reduced by six cents per gallon.

Adds Section 11 which provides an application date for refund claims for motor vehicle fuel taxes for refunds after December 31, 1996.

Removes the agricultural products utilization line item of \$5,598,107 and provides a separate appropriation to the commission in the new Section 2, which includes one additional FTE position.