

Sixtieth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2226

Introduced by

Senators Grindberg, O'Connell, Wanzek

Representatives Klein, Pietsch, Ruby

1 A BILL for an Act to create and enact section 5-03-08.1 of the North Dakota Century Code,
2 relating to allocation of wholesale taxes on wine for a state grape and wine program; to amend
3 and reenact section 5-03-08 of the North Dakota Century Code, relating to allocation of beer
4 and liquor wholesale taxes; to provide a continuing appropriation; to provide an effective date;
5 and to provide an expiration date.

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1. AMENDMENT.** Section 5-03-08 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **5-03-08. Taxes and fees ~~deposited in the general fund~~ allocation.** All moneys
10 collected by the tax commissioner under this chapter must be transferred to the state treasurer,
11 within ten days after the end of the month in which they were collected, and deposited in the
12 state general fund except as provided in section 5-03-08.1.

13 **SECTION 2.** Section 5-03-08.1 of the North Dakota Century Code is created and
14 enacted as follows:

15 **5-03-08.1. Taxes on wine allocated to grape and wine program - Continuing**
16 **appropriation.** The state treasurer shall deposit thirty percent of the tax collections from taxes
17 imposed on wine under section 5-03-07 in the grape and wine program fund. Moneys in the
18 grape and wine program fund are appropriated on a continuing basis to the agricultural
19 products utilization commission for allocation as follows:

20 1. Seventy-five percent to the agricultural experiment station:
21 a. To provide research testing of the hardiness and performance of cold-climate
22 grape cultivars at field sites representative of North Dakota's various
23 environmental and soil conditions;

- b. To enhance northern vineyard productivity by studying beneficial cultural and crop management practices;
- c. To cooperate with other northern viticulture improvement programs in testing and releasing hybrid materials;
- d. To support research activities in viticulture and enology; and
- e. To provide research testing for other small fruit crops that may be useful for wine processing.

2. Fifteen percent to the North Dakota state university extension service to:

- a. Provide direct outreach to the state and regional grape growing and the regional wine industry;
- b. Connect grape grower issues and concerns with university research objectives;
- c. Provide research results and other outreach programs promoting viticulture and enology; and
- d. Offer assistance in training in viticulture cropping systems at onsite research and grower field day events and related programs.

3. Ten percent to be expended upon recommendation of the North Dakota grape growers association for the promotion of North Dakota wines to:

- a. Provide promotional support for a state and regional grape and wine marketing program;
- b. Encourage entrepreneurial skills of growers and winery owners;
- c. Promote and organize grower and wine industry events, including conferences, workshops, field days, wine tastings, and similar events; and
- d. Represent the state and regional grape and wine industry.

SECTION 3. EFFECTIVE DATE - EXPIRATION DATE. This Act is effective for taxable events occurring after July 31, 2007, and before August 1, 2011, and is thereafter ineffective.