

Fifty-fifth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2340

Introduced by

Senators Tallackson, Thane

Representative Thompson

1 A BILL for an Act to provide for the creation of value-added assessment districts and the levy of
2 an assessment on wheat for the promotion of value-added wheat products; and to provide a
3 penalty.

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

5 **SECTION 1. Definitions.** In this Act, unless the context otherwise requires:

- 6 1. "Commissioner" means the commissioner of agriculture or the commissioner's
7 designee.
- 8 2. "Designated handler" means any person accepting for shipment or otherwise
9 acquiring an interest in wheat from a grower. The term includes any person having
10 a claim against the producer, when the actual or constructive possession of the
11 wheat is taken as security, part payment, or in satisfaction of a mortgage, pledge,
12 lien, or claim.
- 13 3. "Grower" means any person engaged in growing wheat and receiving, in that
14 capacity, any portion of the crop produced.
- 15 4. "Qualified candidate" means a wheat grower who resides in the value-added
16 assessment district represented by the board to which the candidate seeks
17 election.
- 18 5. "Wheat" means all varieties of hard red spring wheat, durum, and winter wheat.

19 **SECTION 2. Value-added assessment districts - Wheat.** The following value-added
20 assessment districts are established:

- 21 1. District one consists of Burke, Divide, Mountrail, Renville, Ward, and Williams
22 counties.
- 23 2. District two consists of Benson, Bottineau, McHenry, Pierce, Rolette, Sheridan, and
24 Wells counties.

3. District three consists of Cavalier, Pembina, Ramsey, Towner, and Walsh counties.
4. District four consists of Eddy, Foster, Grand Forks, Griggs, Nelson, Steele, and Traill counties.
5. District five consists of Billings, Dunn, Golden Valley, McKenzie, Mercer, and Oliver counties.
6. District six consists of Adams, Bowman, Grant, Hettinger, Morton, Sioux, Slope, and Stark counties.
7. District seven consists of Burleigh, Emmons, Kidder, Logan, McIntosh, McLean, and Stutsman counties.
8. District eight consists of Barnes, Cass, Dickey, LaMoure, Ransom, Richland, and Sargent counties.

SECTION 3. Election to approve assessment. Any grower seeking to initiate the levy of an assessment within a value-added assessment district as provided for in this Act shall obtain the signatures of at least twenty-five growers residing in the district on a petition requesting an election and present the petition to the commissioner. Upon verifying the signatures, the commissioner shall determine a time and place for the election and provide due notice to persons eligible to vote in the election. Only growers who have reached the age of eighteen and reside in the district may vote to initiate the levy of an assessment.

SECTION 4. Election of board members.

1. If a majority of the votes cast during the election under section 3 approves initiating the levy of an assessment, the commissioner shall allow sixty days within which qualified candidates for the value-added assessment district board must file with the commissioner a notice of intention to seek election to the board. If fewer than five qualified candidates file notice with the commissioner during the sixty-day period, the commissioner shall extend the filing period by thirty-day increments until five or more qualified candidates have filed notice.
2. If only five qualified candidates file a notice under this section, the commissioner shall declare the board to be formed.
3. If there are more than five qualified candidates, the commissioner shall determine a time and place for the election and provide due notice to persons eligible to vote in the election. Only growers who have reached the age of eighteen and reside in

the district may vote to elect a member to the board. The commissioner is responsible for the collection and counting of the ballots, for determining the outcome of the election, for conducting any recounts if results are disputed, and for any costs associated with the election.

4. All value-added assessment district board member elections held after the initial election must be held at a time and place designated by the commissioner.

SECTION 5. Election responsibilities of commissioner. In any election under this Act, the commissioner is responsible for the collection and counting of the ballots, for determining the outcome of the election, for conducting any recounts if results are disputed, and for any costs associated with the election.

SECTION 6. Value-added assessment districts - Board - Meetings. Each value-added assessment district is governed by a five-member board of directors elected by the growers in each district in accordance with section 4. A board member serves for a term of three years, beginning thirty days after the date of election. The terms of initial board members must be staggered by lot so that two members serve three-year terms, two members serve two-year terms, and one member serves a one-year term. Each board shall select a chairman from among its members to serve for a term of one year. If a member of the board does not complete the term of office, the position is deemed vacant and the chairman shall appoint a person to fill the position until the next scheduled election for that seat. The board must meet at a time and in a place designated by the chairman.

SECTION 7. Board - Powers. The board of directors of a value-added assessment district may:

1. Contract and cooperate with any entity for any purpose associated with the research, development, promotion, or implementation of value-added wheat products.
2. Expend, invest, or loan funds collected pursuant to this Act for purposes set forth in this section.
3. Accept donations of property or services from any source for the purpose of furthering the objectives of the board.

1 4. Investigate and prosecute any claim for relief to enforce the collection or ensure
2 payment of the assessments authorized by this Act, and to sue and be sued in the
3 name of the district.

4 5. By majority vote terminate the assessment of the levy and dissolve the assessment
5 district.

6 **SECTION 8. Assessment.** The board of directors of a value-added assessment
7 district shall determine the date on which the assessment on wheat is to begin and the amount
8 of the assessment. The assessment may not exceed five cents per bushel. The assessment
9 must be imposed upon all wheat grown in the district. Each designated handler in the state
10 shall collect the assessment and shall submit the collections to the commissioner at a time and
11 in a manner prescribed by the commissioner. Funds from one assessment district may not be
12 commingled with those of another district. The commissioner shall forward all moneys collected
13 for wheat grown in each assessment district to the state treasurer for deposit in separate
14 special revolving funds known as value-added assessment funds. All money in a district's
15 value-added assessment fund is appropriated on a continuing basis to the district.
16 Expenditures from the fund may be made upon vouchers duly approved by the board of
17 directors of a district. Regular audits of each district's accounts must be conducted in
18 accordance with chapter 54-10.

19 **SECTION 9. Penalty for nonpayment of assessment.** A designated handler who
20 fails to pay the assessment under this Act on the date the assessment becomes due is
21 delinquent. The board of directors of the district may levy a penalty on that designated handler
22 in the amount of ten percent of the assessment due plus interest at the rate of twelve percent
23 per annum from the due date.