

Fifty-fifth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1427

Introduced by

Representatives Dalrymple, Aarsvold, Nicholas

Senators Heitkamp, Solberg, Wanzek

1 A BILL for an Act relating to establishment of an agricultural consultation board and the
2 allocation of research grants to agricultural commodity groups; to amend and reenact section
3 57-43.1-03.1 of the North Dakota Century Code, relating to tax refunds for fuel used for
4 agricultural purposes; and to provide an appropriation.

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

6 **SECTION 1. Agricultural consultation board - Membership.** The agricultural
7 consultation board consists of thirteen members. The ag coalition shall appoint five members
8 to the board and the president of North Dakota state university or the president's designee shall
9 appoint five members representing the extension service's multicounty units and two members
10 representing the state's agricultural research centers. The commissioner of agriculture or the
11 commissioner's designee shall serve as a member of the board. The agricultural consultation
12 board annually shall select a chairman from among its members. The term of office for each
13 appointed member is two years. The terms must be staggered by lot. No member may serve
14 more than three consecutive terms. Each person or entity charged with appointing members to
15 the board shall ensure that the board is representative of a broad cross section of agricultural
16 interests, including major crop and livestock enterprises in this state.

17 **SECTION 2. Agricultural consultation board - Duties.**

- 18 1. The board shall:
- 19 a. Provide advice to the president of North Dakota state university and the
20 director of the North Dakota agricultural experiment station in all matters
21 related to the advancement of agricultural research pertaining to existing and
22 emerging crops, as well as livestock production.
- 23 b. Each year:

(1) Award up to fifteen percent of the proceeds of the North Dakota agricultural research fund to persons or entities for the purpose of conducting research projects in areas relating to new or emerging crops or livestock; and

(2) Allocate up to the remaining eighty-five percent of the proceeds of the North Dakota agricultural research fund to the granting committees of the agricultural commodity groups.

2. During the second year of the biennium, the board may reallocate any funds not awarded or allocated during the first year of the biennium by an agricultural commodity group's granting committee to the same or to another granting committee, or may award these funds to another person conducting research in areas relating to new or emerging crops or livestock.

SECTION 3. Agricultural commodity groups - Eligibility for research funds. The percentage of the total grant dollars available for allocation to each agricultural commodity group by the agricultural consultation board must be the same percentage as the North Dakota gross sales of the agricultural commodity or product bear to the North Dakota gross sales of all agricultural commodities or products during the previous year. Research grants may be awarded by a grant committee to persons affiliated with institutions of higher education or research organizations in this state or in other states for the purpose of conducting research with a view to enhancing the economic impact of agricultural commodities. An out-of-state grant recipient must provide matching funds in an amount equal to the research grant. Any agricultural commodity group that raises research moneys for the commodities grown or produced by its members in this state is eligible to receive funds if:

1. The commodity represented by the group equals or exceeds two percent of the gross sales of all agricultural commodities grown or produced in this state during the most recent year for which statistics are available, as determined by the North Dakota agricultural statistics service.

2. The agricultural commodity group has established a grant committee consisting of four members of the commodity group who are growers or producers, the director of the North Dakota agricultural experiment station or the director's designee, the chairman of the North Dakota state university agronomy department or the

1 chairman's designee, and one person appointed by the North Dakota agricultural
2 consultation board, who is employed by or in the private sector and who has a
3 background in agricultural research.

4 a. Each agricultural commodity group shall determine the terms of office for its
5 grant committee members and may provide for the compensation of the grant
6 committee members and expense reimbursement at the same rate and in the
7 same manner as provided for members of the commodity group's board or
8 council.

9 b. Each commodity group's grant committee shall select one of the committee's
10 members to serve as chairman for the period determined by the commodity
11 group's board or council.

12 3. Before awarding any funds allocated by the agricultural consultation board, a
13 commodity group's grant committee obtains and commits an amount equal to
14 twenty-five percent in matching funds from the agricultural commodity board or
15 council that it represents.

16 **SECTION 4. AMENDMENT.** Section 57-43.1-03.1 of the 1995 Supplement to the
17 North Dakota Century Code is amended and reenacted as follows:

18 **57-43.1-03.1. (Effective until December 31, 1999) Refund of tax for fuel used for**
19 **agricultural purposes - ~~Reduction for agricultural fuel tax fund~~ Reductions.** Any person
20 who buys or uses any motor vehicle fuel for agricultural purposes, except motor vehicle fuel
21 used in motor vehicles operated or intended to be operated in whole or in part upon any of the
22 public highways of this state on which the motor vehicle fuel tax has been paid, must be
23 reimbursed or repaid within the time provided in this chapter, the amount of the tax paid upon
24 the presentation to and the approval of the commissioner of a claim for refund. The amount of
25 the tax refund provided for in this section must be reduced by ~~four~~ eight cents per gallon [3.79
26 liters] except for those fuels used in aircraft or with respect to refunds claimed by aircraft fuel
27 users, ~~two~~ Two cents per gallon [3.79 liters] withheld from the refund must be deposited in the
28 agricultural fuel tax fund, ~~and~~ two cents per gallon [3.79 liters] withheld from the refund must be
29 retained in the highway tax distribution fund, and four cents per gallon [3.79 liters] withheld from
30 the refund must be deposited in the agricultural research fund. Those persons who have a
31 valid tax assignment permit issued by the commissioner under section 57-43.1-11 must be

1 charged ~~four~~ eight cents per gallon [3.79 liters] by the dealer and the ~~four~~ eight cents charged
2 must be remitted to the commissioner by the dealer when the dealer submits the tax assigned
3 invoices for credit.

4 **(Effective January 1, 2000) Refund of tax for fuel used for agricultural purposes -**
5 **~~Reduction for agricultural fuel tax fund~~ Reductions.** Any person who buys or uses any
6 motor vehicle fuel for agricultural purposes, except motor vehicle fuel used in motor vehicles
7 operated or intended to be operated in whole or in part upon any of the public highways of this
8 state on which the motor vehicle fuel tax has been paid, must be reimbursed or repaid within
9 the time provided in this chapter, the amount of the tax paid upon the presentation to and the
10 approval of the commissioner of a claim for refund. The amount of the tax refund provided for
11 in this section must be reduced by ~~two~~ six cents per gallon [3.79 liters] except for those fuels
12 used in aircraft or with respect to refunds claimed by aircraft fuel users, ~~two~~ Two cents per
13 gallon [3.79 liters] withheld from the refund must be deposited in the agricultural fuel tax fund
14 and four cents per gallon [3.79 liters] withheld from the fund must be deposited in the
15 agricultural research fund. Those persons who have a valid tax assignment permit issued by
16 the commissioner under section 57-43.1-11 must be charged ~~two~~ six cents per gallon [3.79
17 liters] by the dealer and the ~~two~~ six cents charged must be remitted to the commissioner by the
18 dealer when the dealer submits the tax assigned invoices for credit.

19 **SECTION 5. Agricultural research fund - Creation.** The agricultural research fund is
20 a special fund in the state treasury. The proceeds of the fund must be expended for purposes
21 of agricultural research, as provided for by sections 2 and 3 of this Act.

22 **SECTION 6. TRANSFER.** The office of management and budget shall transfer
23 \$1,000,000, or so much of the amount as is necessary, from the agricultural fuel tax fund to the
24 agricultural research fund for the biennium beginning July 1, 1997, and ending June 30, 1999.

25 **SECTION 7. APPROPRIATION.** There is hereby appropriated out of any moneys in
26 the agricultural research fund in the state treasury, not otherwise appropriated, the sum of
27 \$3,000,000, or so much of the fund as may be necessary, to the agricultural consultation board
28 for the purpose of providing grants for agricultural research, for the biennium beginning July 1,
29 1997, and ending June 30, 1999.