

Fifty-fifth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1427

Introduced by

Representatives Dalrymple, Aarsvold, Nicholas

Senators Heitkamp, Solberg, Wanzek

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

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

5 **SECTION 1. Agricultural products utilization commission - Apportionment of**
6 **research funds.**

7 1. The agricultural products utilization commission annually shall apportion the
8 proceeds of the North Dakota agricultural research fund as follows:

9 a. Seventy percent to the grant committees of the North Dakota agricultural
10 commodity groups that raise research moneys through perpetual fundraising
11 mechanisms, provided that:

12 (1) The commodity represented accounts for at least two percent of the
13 gross sales of all agricultural commodities grown or produced in the
14 state;

15 (2) The percentage of the dollars available for each agricultural commodity
16 group under this section may not exceed the percentage that the gross
17 sales of the agricultural commodity bear to the North Dakota gross
18 sales of all agricultural commodities grown or produced during the
19 previous year, as determined by the agricultural statistics service; and

20 (3) The grant committee of an agricultural commodity group obtains and
21 commits funds equal to twenty-five percent of the total amount awarded
22 or distributed to the research project.

23 b. Eighteen percent to the grant committee representing animal agriculture.

24 c. Twelve percent to the grant committee representing new and emerging crops.

- 1 2. Any moneys not expended by a grant committee during the first year of a biennium
2 may be reallocated by the agricultural products utilization commission to the same
3 or to a different grant committee during the second year of the biennium.

4 **SECTION 2. Agricultural commodity groups - Grant committees.**

- 5 1. The governing body of each agricultural commodity group shall establish a
6 committee to accept moneys apportioned by the agricultural products utilization
7 commission under section 1, solicit proposals for research projects related to
8 enhancing the impact of an agricultural commodity on the economy of this state,
9 and distribute or award the moneys as research grants. Each committee must
10 consist of:
- 11 a. Four individuals who are growers or producers and who are members of the
12 agricultural commodity group, appointed by the commodity group's governing
13 body;
- 14 b. The director of the North Dakota agricultural experiment station or the
15 director's designee;
- 16 c. An individual who has a background in agricultural research and experience
17 in the contemplated field of study, appointed by the director of the North
18 Dakota agricultural experiment station; and
- 19 d. An individual who is employed in the private sector and who has a
20 background in agricultural research, appointed by the agricultural commodity
21 group's governing body.
- 22 2. The governing body of the agricultural commodity group shall determine the terms
23 of office for its grant committee members and may provide for the compensation of
24 the grant committee members and expense reimbursement at the same rate and
25 in the same manner as provided for members of the commodity group's governing
26 body.
- 27 3. A grant committee shall select one of the committee members to serve as
28 chairman for the period determined by the commodity group's governing body.

29 **SECTION 3. Animal agriculture - Establishment of grant committee.**

- 30 1. A grant committee representing animal agriculture is established for the purpose of
31 accepting moneys apportioned by the agricultural products utilization commission

under section 1, soliciting proposals for research projects related to the study of traditional and nontraditional livestock and forage production, and distributing or awarding the moneys as research grants. The committee must consist of:

- a. One producer appointed by the North Dakota beef commission;
- b. One producer appointed by the North Dakota stockmen's association;
- c. One producer appointed by the North Dakota milk producers association;
- d. One producer appointed by the North Dakota pork producers association;
- e. One producer appointed by the North Dakota lamb and wool producers association;
- f. One producer appointed by the North Dakota bison producers association;
- g. The director of the North Dakota agricultural experiment station or the director's designee;
- h. An individual who has a background in agricultural research and experience in the contemplated field of study, appointed by the director of the North Dakota agricultural experiment station; and
- i. An individual who is employed in the private sector and who has a background in agricultural research, appointed collectively by the governing bodies of the commodity groups identified in subdivisions a through f.

2. The appointing authorities collectively shall determine the terms of office for the grant committee members and may provide for the compensation of the grant committee members and expense reimbursement at the same rate and in the same manner as provided for members of the governing bodies of the represented commodity groups.

3. The grant committee shall select one of the committee members to serve as chairman for the period determined by the committee.

SECTION 4. New or emerging crops - Establishment of grant committee.

1. A grant committee representing new or emerging crops is established for the purpose of accepting moneys apportioned by the agricultural products utilization commission under section 1, soliciting proposals for research projects related to the study of new or emerging crops, and distributing or awarding the moneys as research grants. The committee must consist of:

1 a. Four individuals who are growers or producers of a new or emerging crop or
2 who have a familiarity with new or emerging crops, appointed by the
3 agricultural products utilization commission;

4 b. The director of the North Dakota agricultural experiment station or the
5 director's designee;

6 c. An individual who has a background in agricultural research and experience
7 in the contemplated field of study, appointed by the director of the North
8 Dakota agricultural experiment station; and

9 d. An individual who is employed in the private sector and who has a
10 background in agricultural research, appointed by the agricultural products
11 utilization commission.

12 2. The agricultural products utilization commission shall determine the terms of office
13 for the grant committee members and, using a portion of the moneys available for
14 award or distribution to the grant committee, may provide for the compensation of
15 the grant committee members and expense reimbursement at the same rate and
16 in the same manner as provided for members of the agricultural products utilization
17 commission.

18 3. The grant committee shall select one of the committee members to serve as
19 chairman for the period determined by the agricultural products utilization
20 commission.

21 **SECTION 5. Distribution of research grants.** Each grant committee shall distribute
22 or award the moneys available for research grants on a competitive basis to persons affiliated
23 with institutions of higher education or research organizations in this state or in other states for
24 the purpose of conducting research with a view to enhancing the impact of an agricultural
25 commodity on the economy of this state. An out-of-state grant recipient must provide matching
26 funds in an amount equal to the research grant and must designate a person affiliated with an
27 institution of higher education in this state or with a research organization in this state to serve
28 as a coordinator and collaborator.

29 **SECTION 6. AMENDMENT.** Section 57-43.1-03.1 of the 1995 Supplement to the
30 North Dakota Century Code is amended and reenacted as follows:

1 **57-43.1-03.1. (Effective until December 31, 1999) Refund of tax for fuel used for**
2 **agricultural purposes - ~~Reduction for agricultural fuel tax fund~~ Reductions.** Any person
3 who buys or uses any motor vehicle fuel for agricultural purposes, except motor vehicle fuel
4 used in motor vehicles operated or intended to be operated in whole or in part upon any of the
5 public highways of this state on which the motor vehicle fuel tax has been paid, must be
6 reimbursed or repaid within the time provided in this chapter, the amount of the tax paid upon
7 the presentation to and the approval of the commissioner of a claim for refund. The amount of
8 the tax refund provided for in this section must be reduced by ~~four~~ eight cents per gallon [3.79
9 liters] except for those fuels used in aircraft or with respect to refunds claimed by aircraft fuel
10 users, ~~two~~. Two cents per gallon [3.79 liters] withheld from the refund must be deposited in the
11 agricultural fuel tax fund, ~~and~~ two cents per gallon [3.79 liters] withheld from the refund must be
12 retained in the highway tax distribution fund, and four cents per gallon [3.79 liters] withheld from
13 the refund must be deposited in the agricultural research fund. Those persons who have a
14 valid tax assignment permit issued by the commissioner under section 57-43.1-11 must be
15 charged ~~four~~ eight cents per gallon [3.79 liters] by the dealer and the ~~four~~ eight cents charged
16 must be remitted to the commissioner by the dealer when the dealer submits the tax assigned
17 invoices for credit.

18 **(Effective January 1, 2000) Refund of tax for fuel used for agricultural purposes -**
19 **~~Reduction for agricultural fuel tax fund~~ Reductions.** Any person who buys or uses any
20 motor vehicle fuel for agricultural purposes, except motor vehicle fuel used in motor vehicles
21 operated or intended to be operated in whole or in part upon any of the public highways of this
22 state on which the motor vehicle fuel tax has been paid, must be reimbursed or repaid within
23 the time provided in this chapter, the amount of the tax paid upon the presentation to and the
24 approval of the commissioner of a claim for refund. The amount of the tax refund provided for
25 in this section must be reduced by ~~two~~ six cents per gallon [3.79 liters] except for those fuels
26 used in aircraft or with respect to refunds claimed by aircraft fuel users, ~~two~~. Two cents per
27 gallon [3.79 liters] withheld from the refund must be deposited in the agricultural fuel tax fund
28 and four cents per gallon [3.79 liters] withheld from the fund must be deposited in the
29 agricultural research fund. Those persons who have a valid tax assignment permit issued by
30 the commissioner under section 57-43.1-11 must be charged ~~two~~ six cents per gallon [3.79

1 liters] by the dealer and the ~~two~~ six cents charged must be remitted to the commissioner by the
2 dealer when the dealer submits the tax assigned invoices for credit.

3 **SECTION 7. Agricultural research fund - Creation.** The agricultural research fund is
4 a special fund in the state treasury. The proceeds of the fund must be expended for purposes
5 of agricultural research, as provided for by sections 2 and 3 of this Act.

6 **SECTION 8. TRANSFER.** The office of management and budget shall transfer
7 \$1,000,000, or so much of the amount as is necessary, from the agricultural fuel tax fund to the
8 agricultural research fund for the biennium beginning July 1, 1997, and ending June 30, 1999.

9 **SECTION 9. APPROPRIATION.** There is hereby appropriated out of any moneys in
10 the agricultural research fund in the state treasury, not otherwise appropriated, the sum of
11 \$3,000,000, or so much of the fund as may be necessary, to the agricultural consultation board
12 for the purpose of providing grants for agricultural research, for the biennium beginning July 1,
13 1997, and ending June 30, 1999.