

Fifty-fifth
Legislative Assembly
of North Dakota

REENGROSSED 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; to provide an appropriation; to provide for
4 application; and to declare an emergency.

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

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

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

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

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

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

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

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

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

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

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

6 1. The governing body of each agricultural commodity group shall establish a
7 committee to accept moneys apportioned by the agricultural products utilization
8 commission under section 1, solicit proposals for research projects related to
9 enhancing the impact of an agricultural commodity on the economy of this state,
10 and distribute or award the moneys as research grants. Each committee must
11 consist of:

12 a. Four individuals who are growers or producers and who are members of the
13 agricultural commodity group, appointed by the commodity group's governing
14 body;

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

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

20 d. An individual who is employed in the private sector and who has a
21 background in agricultural research, appointed by the agricultural commodity
22 group's governing body.

23 2. The governing body of the agricultural commodity group shall determine the terms
24 of office for its grant committee members and may provide for the compensation of
25 the grant committee members and expense reimbursement at the same rate and
26 in the same manner as provided for members of the commodity group's governing
27 body.

28 3. A grant committee shall select one of the committee members to serve as
29 chairman for the period determined by the commodity group's governing body.

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

1. A grant committee representing animal agriculture 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 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

1 the study of new or emerging crops, and distributing or awarding the moneys as
2 research grants. The committee must consist of:

- 3 a. Four individuals who are growers or producers of a new or emerging crop or
4 who have a familiarity with new or emerging crops, appointed by the
5 agricultural products utilization commission;
6 b. The director of the North Dakota agricultural experiment station or the
7 director's designee;
8 c. An individual who has a background in agricultural research and experience
9 in the contemplated field of study, appointed by the director of the North
10 Dakota agricultural experiment station; and
11 d. An individual who is employed in the private sector and who has a
12 background in agricultural research, appointed by the agricultural products
13 utilization commission.

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

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

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

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

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

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

1 the commissioner under section 57-43.1-11 must be charged ~~two~~ six cents per gallon [3.79
2 liters] by the dealer and the ~~two~~ six cents charged must be remitted to the commissioner by the
3 dealer when the dealer submits the tax assigned invoices for credit.

4 **SECTION 7. Agricultural research fund - Creation.** The agricultural research fund is
5 a special fund in the state treasury. The proceeds of the fund must be expended for purposes
6 of agricultural research, as provided for by sections 1 through 5 of this Act.

7 **SECTION 8. TRANSFER.** The office of management and budget shall transfer
8 \$500,000 from the highway tax distribution fund to the agricultural research fund on May 1,
9 1997, in lieu of ethanol incentive funding that is not anticipated to be claimed, for the biennium
10 beginning July 1, 1995, and ending June 30, 1997.

11 **SECTION 9. TRANSFER.** The office of management and budget shall transfer
12 \$500,000 from the agricultural fuel tax fund to the agricultural research fund on September 1,
13 1997, in lieu of ethanol incentive funding that is not anticipated to be claimed, for the biennium
14 beginning July 1, 1997, and ending June 30, 1999.

15 **SECTION 10. APPROPRIATION.** There is hereby appropriated out of any moneys in
16 the agricultural research fund in the state treasury, not otherwise appropriated, the sum of
17 \$3,000,000, or so much of the fund as may be necessary, to the agricultural products utilization
18 commission for the purpose of providing grants for agricultural research, for the biennium
19 beginning July 1, 1997, and ending June 30, 1999.

20 **SECTION 11. APPLICATION.** Section 6 of this Act applies to refund claims for motor
21 vehicle fuel taxes paid after December 31, 1996.

22 **SECTION 12. EMERGENCY.** This Act is declared to be an emergency measure.