

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

That the House recede from its amendments as printed on pages 1097-1100 of the Senate Journal and pages 1159-1162 of the House Journal and that Engrossed Senate Bill No. 2009 be amended as follows:

Page 1, line 2, replace the first "and" with "to create a legislative council committee; to provide an appropriation to the legislative council; to provide a statement of legislative intent; to provide for a transfer; to create and enact a new subdivision to subsection 1 of section 57-38-01.2 and a new subdivision to subsection 3 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax exemption for indemnities received for destruction of cattle;"; replace "section" with "sections", and after "4-01-21" insert ", 4-35-06.3, and 19-18-04"

Page 1, line 3, after "to" insert "the minor use pesticide fund," and after "commissioner" insert ", and pesticide registration fees; to provide an effective date; to provide an expiration date; and to declare an emergency"

Page 1, remove line 11

Page 1, line 13, replace "3,053,452" with "3,128,452"

Page 1, line 14, replace "828,957" with "778,957"

Page 1, line 18, replace "851,681" with "801,681"

Page 1, line 24, replace "553,907" with "573,907"

Page 2, line 2, replace "8,599,579" with "8,594,579"

Page 2, line 3, replace "4,068,216" with "4,133,216"

Page 2, line 4, replace "4,531,363" with "4,461,363"

Page 2, after line 11, insert:

"SECTION 3. AMENDMENT. Section 4-35-06.3 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-35-06.3. Minor use pesticide fund - Continuing appropriation. The minor use pesticide fund is created as a special fund in the state treasury. All moneys in the fund are appropriated on a continuing basis to the pesticide control board for the purpose of conducting or commissioning studies, investigations, and evaluations regarding the registration and use of pesticides for minor crops, minor uses, and ~~emergency uses~~ other uses as determined by the board.

SECTION 4. AMENDMENT. Section 19-18-04 of the North Dakota Century Code is amended and reenacted as follows:

19-18-04. Registration - Fees.

1. Any person before selling or offering for sale any pesticide for use within this state shall file biennially with the commissioner an application for registration of the pesticide. The application must:
 - ~~1-~~ a. Give the name and address of each manufacturer or distributor.
 - ~~2-~~ b. Give the name and brand of each product registered.
 - ~~3-~~ c. Be accompanied by a current label of each product so registered.
 - ~~4-~~ d. Be accompanied by a registration fee of three hundred fifty dollars for each product registered. At the close of each calendar month, the commissioner shall transmit to the state treasurer all moneys received for the registrations. The state treasurer shall credit fifty dollars for each registered product to the general fund in the state treasury and the remainder of the registration fee for each registered product to the environment and rangeland protection fund.
 - ~~5-~~ e. Be accompanied by a material safety data sheet.
2. The commissioner may require an applicant or registrant to provide efficacy, toxicity, residue, and any other data necessary to determine if the pesticide will perform its intended function without unreasonable adverse effects on the environment. If the commissioner finds that the application conforms to law, the commissioner shall issue to the applicant a certificate of registration of the product. If after public hearing before the commissioner the application is denied, the product may not be offered for sale.
3. Each registration covers a two-year period beginning January first and expiring December thirty-first of the following year. A certificate of registration may not be issued for a term longer than two years, and is not transferable from one person to another, or from the ownership to whom issued to another ownership, or from one place to another place or location. A penalty of fifty percent of the license or registration fee must be imposed if the license or certificate of registration is not applied for on or before January thirty-first following the expiration date, or within the same month the pesticides are first manufactured or sold within this state. Each product must go through a two-year discontinuance period in order to clear all outstanding products in the channel of trade.
4. This section does not apply to a pesticide sold by a retail dealer if the registration fee has been paid by the manufacturer, jobber, or any other person, as required by this section.

SECTION 5. A new subdivision to subsection 1 of section 57-38-01.2 of the 1997 Supplement to the North Dakota Century Code is created and enacted as follows:

Reduced by an amount equal to any indemnity received under this Act for the destruction of cattle infected or suspected of being infected with bovine tuberculosis.

SECTION 6. A new subdivision to subsection 3 of section 57-38-30.3 of the 1997 Supplement to the North Dakota Century Code is created and enacted as follows:

An amount equal to any indemnity received under this Act for the destruction of cattle infected or suspected of being infected with bovine tuberculosis."

"SECTION 9. ESTIMATED INCOME - GAME AND FISH FUND. The estimated income line item in section 1 of this Act includes the sum of \$200,000, or so much of the sum as may be necessary, from the game and fish department operating fund for the waterbank program for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 10. TRANSFER. The office of management and budget shall transfer \$285,000 from the environment and rangeland protection fund to the minor use pesticide fund for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 11. LEGISLATIVE COUNCIL - CROP HARMONIZATION COMMITTEE. The legislative council shall create a crop harmonization committee consisting of the chairman of the house agriculture committee, the chairman of the senate agriculture committee, and three other individuals appointed by the legislative council chairman, one of whom must represent the crop protection manufacturing industry. In consultation with the pesticide control board, the committee shall:

1. Identify and prioritize crop protection product labeling needs;
2. Explore the extent of authority given to this state under the federal Insecticide, Fungicide, and Rodenticide Act;
3. Identify the data necessary to enable registration of a use to occur in a timely manner;
4. Determine what research, if any, is necessary to fulfill data requirements for activities listed in this section and communicate its findings to the agriculture commissioner;
5. Request the agriculture commissioner to pursue specific research funding options from public and private sources; and
6. Report to the legislative council in the same manner as do other interim legislative council committees.

SECTION 12. APPROPRIATION - LEGISLATIVE COUNCIL. There is hereby appropriated out of any moneys in the minor use pesticide fund in the state treasury, not otherwise appropriated, the sum of \$15,000, or so much of the sum as may be necessary, out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$15,000, or so much of the sum as may be necessary, and from special funds derived from grants or donation income, the sum of \$150,000, or so much of the sum as may be necessary, to the legislative council for the purpose of addressing crop protection product registration and labeling as provided for in section 11 of this Act for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 13. LEGISLATIVE INTENT. It is the intent of the fifty-sixth legislative assembly that the agriculture commissioner, agricultural experiment station, and North Dakota state university extension service use resources available to them to assist in the registration of crop protection pesticides in cooperation with the crop protection industry for use in the North Dakota agriculture industry for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 14. APPROPRIATION - BOARD OF ANIMAL HEALTH - 1997-99 BIENNIUM. There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$65,000, or so much of the sum as may be necessary, to the agriculture commissioner for the purpose of paying an indemnity and other expenses associated with destroying a herd of cattle infected with

bovine tuberculosis for the period beginning with the effective date of this Act and ending June 30, 1999.

SECTION 15. BUDGET SECTION REPORT. The agriculture commissioner and the state veterinarian shall periodically report to the budget section on the status of the bovine tuberculosis disease in cattle and associated costs during the 1999-2000 interim.

SECTION 16. EFFECTIVE DATE - EXPIRATION DATE. Sections 5 and 6 of this Act are effective for the first two taxable years beginning after December 31, 1998, and are thereafter ineffective.

SECTION 17. EXPIRATION DATE. Section 4 of this Act is effective through June 30, 2001, and after that date is ineffective.

SECTION 18. EMERGENCY. Section 14 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 160 - LEGISLATIVE COUNCIL

CONFERENCE COMMITTEE - This amendment creates for the 1999-2000 interim an interim Crop Harmonization Committee and appropriates \$180,000, \$15,000 of which is from the general fund, \$15,000 of which is from the minor use pesticide fund, and up to \$150,000 of grants or donations to the committee to address crop protection registration and labeling issues. The House had established a crop protection task force and appropriated \$300,000 from the environment and rangeland protection fund to the task force for addressing these issues.

DEPARTMENT 602 - AGRICULTURE DEPARTMENT

CONFERENCE COMMITTEE - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	CONFERENCE COMMITTEE COMPARISON TO HOUSE VERSION
Salaries and wages	\$3,130,530	\$3,053,452	\$75,000	\$3,128,452	\$3,083,452	\$45,000
Operating expenses	828,957	828,957	(50,000)	778,957	628,957	150,000
Equipment	22,900	22,900		22,900	22,900	
Grants	161,700	161,700		161,700	161,700	
Board of Animal Health	506,818	502,922		502,922	502,922	
Ag mediation	857,818	851,681	(50,000)	801,681	776,681	25,000
Ag in the classroom	96,000	96,000		96,000	96,000	
Anhydrous ammonia storage	8,154	8,154		8,154	8,154	
Waterbank program	414,000	414,000		414,000	414,000	
Pride of Dakota	151,841	151,516		151,516	151,516	
Wildlife services	779,694	779,694		779,694	779,694	
Safe Send	554,363	553,907	20,000	573,907	573,907	
Noxious weeds	<u>1,174,696</u>	<u>1,174,696</u>		<u>1,174,696</u>	<u>1,174,696</u>	
Total all funds	\$8,687,471	\$8,599,579	(\$5,000)	\$8,594,579	\$8,374,579	\$220,000
Less special funds	<u>4,080,342</u>	<u>4,068,216</u>	<u>65,000</u>	<u>4,133,216</u>	<u>4,033,216</u>	<u>100,000</u>
General fund	\$4,607,129	\$4,531,363	(\$70,000)	\$4,461,363	\$4,341,363	\$120,000
FTE	46.00	47.00	0.50	47.50	46.00	1.50

Detail of Conference Committee changes to the Senate version includes:

	RESTORE FUNDING FOR PLANT SERVICES PROGRAM	REDUCE OPERATING EXPENSES	REDUCE AGRICULTURE MEDIATION	ADD FUNDING FOR COMPUTERS	ADD AG CHEMICAL REGISTRATION POSITION	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	\$30,000 ¹				\$45,000 ⁵	\$75,000
Operating expenses		(\$50,000) ²				(50,000)

Equipment						
Grants						
Board of Animal Health						
Ag mediation			(\$50,000) ³			(50,000)
Ag in the classroom						
Anhydrous ammonia storage						
Waterbank program						
Pride of Dakota						
Wildlife services						
Safe Send				\$20,000 ⁴		20,000
Noxious weeds						
Total all funds	\$30,000	(\$50,000)	(\$50,000)	\$20,000	\$45,000	(\$5,000)
Less special funds				<u>20,000</u>	<u>45,000</u>	<u>65,000</u>
General fund	\$30,000	(\$50,000)	(\$50,000)	\$0	\$0	(\$70,000)
FTE	0.00	0.00	0.00	0.00	0.50	0.50

Conference Committee changes narrative:

- ¹ Restores funding reduced by the Senate for temporary and overtime salaries in the plant services program, the same as the House version.
- ² Reduces operating expenses. The commissioner may determine the specific areas of reduction within this line item. The House had reduced the operating expenses line item by \$200,000 and allowed the commissioner line item transfer authority of up to \$100,000 without Emergency Commission approval.
- ³ Reduces the agriculture mediation line item by \$50,000 from the general fund. The House had reduced this line item by \$75,000, \$20,000 of which was from the general fund and had eliminated one FTE position. The conference committee did not remove an FTE position for agriculture mediation.
- ⁴ Adds funding from the environment and rangeland protection fund for purchasing computers and related costs for Project Safe Send.
- ⁵ Adds \$45,000 from the environment and rangeland protection fund for a .5 FTE position for minor use product registration activities, including writing and preparing federal Sections 18 and 24 crop pesticide registrations for minor use labeling. The department may use this funding to increase a .5 FTE position to a one FTE position for performing these activities.

Sections are added that:

Expand the use of the minor use pesticide fund for registering pesticides on more than just minor crops.

Increase the biennial pesticide registration fee from \$300 to \$350. The additional funds collected will be deposited in the environment and rangeland protection fund. The increase is effective only through June 30, 2001. The House had increased this fee by \$100 and deposited \$17 of the increase into the general fund and the remaining \$83 into the environment and rangeland protection fund.

Transfer \$285,000 from the environment and rangeland protection fund to the minor use pesticide fund. The House had provided for a transfer of \$85,000.

Provide legislative intent that the Agriculture Department, the Agricultural Experiment Station, and the NDSU Extension Service use resources available to them to assist in the registration of crop protection pesticides in cooperation with the crop protection industry for use in North Dakota.

Appropriate \$65,000 from the general fund for the remainder of the 1997-99 biennium for indemnifying the owner and paying other expenses associated with destroying cattle infected with bovine tuberculosis. The House had appropriated \$25,000 for this purpose.

Provide for periodic reports to the Budget Section on the status of the bovine tuberculosis infection in cattle in North Dakota and associated costs during the 1999-2000 interim.

Allow an income tax exemption for 1999 and 2000 for any indemnity received as a result of the bovine tuberculosis infection in cattle herds in North Dakota.

Sections added by the House are not included which would have provided that the Agriculture Commissioner charge wholesalers and manufacturers for the actual costs of disposing of their products under Project Safe Send and that products which are not a direct danger to the public should be disposed of by the owner in a proper manner rather than under Project Safe Send.