

1999 HOUSE AGRICULTURE

HB 1078

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1078

House Agriculture Committee

Conference Committee

Hearing Date 1-7-99

Tape Number	Side A	Side B	Meter #
one (1)	x		0 to 6-6
Committee Clerk Signature <i>Arlin Hanson</i>			

Minutes: Chairman Nicholas introduced former Rep Charles Linderman who was representing the NDSC (North Dakota Soybean Council) board. This bill relates to the penalty for nonpayment of soybean assessments. It is basically a house keeping matter for the Council to align our legislative bylaws with federal law. See written attached testimony.

Rep Pollert: Is the date 30 days after due date so elevators can have time to get it in?

Mr. Linderman: Yes, Rep Pollert, it is a quarterly report and allows the elevator 30 days to send in the assessment.

Rep Berg: Bringing it in compliance with federal law is there an extra civil penalty put on by the federal legislation?

Mr. Linderman: Yes this makes it consistent with federal law.

Rep Berg: You are not concerned about the civil penalty?

Page 2

House Agriculture Committee
Bill/Resolution Number Hb 1078
Hearing Date 1-7-99

Mr. Linderman: No we are not.

Rep Mueller: Speaking of check-offs. Does it effect any other Commodities and what are they doing about it?

Mr. Linderman: Most commodities are State controlled. Soybean and Cattle are Federal run.

In other words they wouldn't be effected by this legislation.

Chairman Nicholas: read written testimony sent by Steve Strighel of the Grain Dealers Association.

Written testimony attached.

Rep Brusegaard moved a DO PASS for HB 1078 and Rep Herbel seconded the motion.

COMMITTEE ACTION: DO PASS

15 Yes 0 No 0 absent

Carrier: Rep Herbel

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: HB 1078 Amendment to: _____

Requested by Legislative Council Date of Request: 12-29-98

- 1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

- 2. State fiscal effect in dollar amounts:

1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds

Revenues:

Expenditures:

- 3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: \$100
- b. For the 1999-2001 biennium: \$200
- c. For the 2001-03 biennium: \$200

- 4. County, City, and School District fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

If additional space is needed, attach a supplemental sheet.

Signed Deborah Johnson

Typed Name Deborah Johnson

Department North Dakota Soybean Council

Phone Number 701-239-7194

Date Prepared: 1-5-99

Date: 1-7
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1028

House Org Committee

Subcommittee on _____
or

Conference Committee

Legislative Council Amendment Number _____

Action Taken _____

Motion Made By Rep Brusegaard Seconded By Rep Herbel

Representatives	Yes	No	Representatives	Yes	No
Eugene Nicholas, Chaiman	✓		Bob Stefonowicz	✓	
Dennis E. Johnson, Vice Chm	✓				
Thomas T. Brusegaard	✓				
Earl Rennerfeldt	✓				
Chet Pollert	✓				
Dennis J. Renner	✓				
Michael D. Brandenburg	✓				
Gil Herbel	✓				
Rick Berg	✓				
Myron Koppang	✓				
John M. Warner	✓				
Rod Forelich	✓				
Robert E. Nowatzki	✓				
Phillip Mueller	✓				

Total (Yes) 15 No 0

Absent _____

Floor Assignment Rep Herbel

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 7, 1999 12:34 p.m.

Module No: HR-03-0378
Carrier: Herbel
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1078: Agriculture Committee (Rep. Nicholas, Chairman) recommends **DO PASS**
(15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1078 was placed on the
Eleventh order on the calendar.

1999 SENATE AGRICULTURE

HB 1078

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1078

Senate Agriculture Committee

Conference Committee

Hearing Date 2/25/99

Tape Number	Side A	Side B	Meter #
1		X	3640-4514
Committee Clerk Signature <i>Tricia Jorgensen</i>			

Minutes:

Senator Wanzek called the meeting to order, roll call was taken, all were present.

Senator Wanzek opened the hearing on HB 1078.

Debra Johnson from the Soybean Council spoke in support of the bill. Basically a housekeeping bill. Consideration to change state law to mirror federal law.

Senator Klein: There is no refund.

Debra Johnson: That is correct.

Senator Sand: We are going up to 24% interest per year.

Debra Johnson: We haven't had a problem and I doubt that we ever would.

Senator Sand: The 2% is paid by the buyer to the console, taken out of farmers check in a sense.

Debra Johnson: Yes.

Senator Wanzek: How much time does the purchaser have.

Page 2

Senate Agriculture Committee

Bill/Resolution Number Hb 1078

Hearing Date 2/25/99

Debra Johnson: 30 days after the first quarter.

Senator Wanzek: Less owners this way than the old way.

Debra Johnson: That is another way of looking at it.

Senator Urlacher: Putting state law in.

Debra Johnson: Correct.

Senator Wanzek closed the hearing.

Senator Urlacher made the motion for a Do Pass.

Senator Klein seconded.

ROLL CALL: 7 Yes, 0 No

CARRIER: Senator Urlacher

Date: 2/25

Roll Call Vote #: (

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1078

Senate Agriculture Committee

Subcommittee on _____
or

Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Urlacher Seconded By Klein

Senators	Yes	No	Senators	Yes	No
Senator Wanzek	✓				
Senator Klein	✓				
Senator Sand	✓				
Senator Urlacher	✓				
Senator Kinnoin	✓				
Senator Kroeplin	✓				
Senator Mathern	✓				

Total (Yes) 7 No 0

Absent _____

Floor Assignment Senator Urlacher

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 25, 1999 12:09 p.m.

Module No: SR-34-3542
Carrier: Urlacher
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1078: Agriculture Committee (Sen. Wanzek, Chairman) recommends DO PASS
(7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1078 was placed on the
Fourteenth order on the calendar.

1999 TESTIMONY

HB 1078

1078

Presentation Before the 1999 House Ag Committee
January 8, 1999

Charles Linderman, NDSC Board Member and Soybean Producer

Chairman Nicholas, members of the committee and visitors, I am Charles Linderman, an NDSC board member. I am here today to testify on behalf of House Bill 1078 to amend and reenact section 4-10.5-11 of the North Dakota Century Code, relating to the penalty for nonpayment of soybean assessments. A house keeping matter for the Council which align our legislative bylaws with federal law. I invite any questions you may have regarding the policies of the NDSC and the intent of this bill.

In 1985, through Senate Bill 2284, during the Forty-Ninth Legislative Assembly, the North Dakota Soybean Council was established to formulate research, education, publicity, and promotion programs for the advancement of the soybean industry. The initial checkoff of two cents per bushel has been changed to one-half of one percent of the net market price under the national Soybean Promotion, Research and Consumer Information Act (SPARC) of 1991. Under federal law fifty percent of this revenue is sent from the state to the national soybean promotion effort. The remaining assessment is administered by the Council and must be utilized for research, education, publicity, and promotion.

Under federal law, first purchasers are required to collect and remit the checkoff assessment. Those first purchasers who do not collect the assessment, or producers who do not pay will be in violation and subject to civil penalty of no more than \$1,000 for each violation and an

additional penalty for willful failure to pay equal to the amount of such assessment. A late payment charge of 2% is added each month to assessments not remitted on time. Currently state law states that a first purchaser shall pay a late payment charge of 10% of the assessment due, plus interest at the rate of twelve percent per annum from the due date.

House Bill 1078 will bring state law into compliance with federal law and eliminate this legislative contradiction . While this action reduces the penalty assessed against those first purchasers out of compliance, the financial statement of the Soybean Council should not be affected by this action. Due to the Soybean Council's federally mandated audits of first purchasers, penalty assessments are rare. An independent audit keeps first purchasers aware of soybean checkoff practices and policies. A majority of which have been audited and are well within compliance.

I would appreciate your support of this bill and its passage into law for the soybean producers within the state of North Dakota. Thank you for your consideration of House Bill 1078. Should anyone have any questions, concerns, or comments I would be happy to entertain them at this time.



NORTH DAKOTA GRAIN DEALERS ASSOCIATION

STEVEN D. STREGE, Executive Vice President
ANN KORZENDORFER, Assistant Secretary
Ph: 701-235-4184, Fax: 701-235-1026
606 Black Building, Fargo, ND 58102

LARRY PHILLIPS, Safety & Health Director
Ph: 701-251-9112, Fax: 701-251-1758
P.O. Box 5055, Jamestown, ND 58402-5055

January 7, 1999

TO: Chairman Gene Nicholas, House Agriculture Committee
FROM: Steve Strege, ND Grain Dealers Association
RE: HB 1078

Dear Chairman Nicholas,

Please enter in the record our Association's support for HB 1078.

I think all the checkoff group folks will tell you that their relationships with grain elevators are very good. Most reports and remittances are in on time. When they are late there is usually a good reason – computer problems, new people on the job, and so on.

Reducing the mandatory penalty is the way to go.

Thanks for your consideration.

Hope to see you at our convention there in Bismarck later in the month.



gda