

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1272

2005 HOUSE AGRICULTURE

HB 1272

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1272

House Agriculture Committee

Conference Committee

Hearing Date 1---27---05

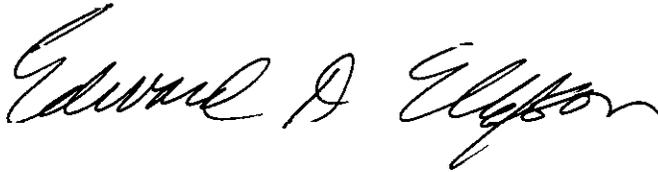
Tape Number
ONE

Side A
A

Side B

Meter #
00 TO 20.2

Committee Clerk Signature



Minutes:

CHAIRMAN NICHOLAS: Committee Members, we will open the hearing on HB 1272.

Representative Headland, we will start with your testimony.

REPRESENTATIVE HEADLAND: I represent District 29. I am here today to ask your support on HB 1272. The intent of this bill, we are just asking that we straighten the code. To make sure that the make up of the wheat commission board is made of people who are raising wheat. Not refunding on the check off and are raising wheat. Not refunding on the check off and that they are living here and not going south for the winter. And they are attending the meetings. Having hands on will strengthen the commission. It is the right direction.

CHAIR: Any questions?

CHAIR: Other testimony in support of HB 1272?

REPRESENTATIVE BRANDENBURG: I support the bill. You need to be a wheat producer, go to meetings and pay the check off. I think this bill will address this.

CHAIRMAN NICHOLAS: Other support.

HARLIN KLEIN, CHAIRMAN OF THE NORTH DAKOTA WHEAT COMMISSION. I AM
HERE TO TESTIFY IN SUPPORT OF HOUSE BILL NO. 1272. [PLEASE SEE
ATTACHED TESTIMONY OF HARLIN KLEIN} At the end of printed testimony Harlin read
the statement that says. ""Other commodity groups have language which does not allow
producers who seek refunds to be check-off to participate in the election process. Similar
language in the Wheat Commission law may also have merit. Any questions.

CHAIR: Any questions from Harlin.

REPRESENTATIVE BRANDENBURG: What about farmers raising wheat in two different
counties and actually are voting twice for two different people. I think there should be lone
vote. What your place of residence is, that is where you should be voting.

HARLIN KLEIN: I have no problems with that. I have land scattered around.

REPRESENTATIVE MUELLER: Those eligible to participate in the county elections
Process. I am not sure I know. Is that something the commission could do or dose it have to be
done legislatively.

KLEIN: I am not sure. It still comes back to producers in the county making the decisions.
How restrictive do we want to get with that. I feel they should be wheat producers if they are
going to represent wheat. One year you grow wheat, one year you don't because of whether
conditions. How do we draw the line if disease conditions take over the crop..

CHAIR:

HEADLAND: I am not sure of the election process and how it goes. Are wheat producers
voting..

KLEIN: I think the last election there were like ten producers that stayed for the election.

BOE: What if no one shows up.

NEIL FISCHER: I can remember this happened twice in a county. County Agent is in charge of voting. Where wheat producers live they vote. By and large where we have wheat producers live and raise wheat we have a good participation at meetings. 50 to 60 people vote. The extension service is in charge of elections.

CHAIR: F.S.A. OFFICE. You have a list of all the people that pay tax, they are the ones that should be voting. I have heard what you said about a short crop and they cut it for hay but Perhaps they could be allowed to vote for one or two years that they don't pay the taxes if they have a record that is positive for past years. Send a ballot from the commission. This way everyone will get a ballot. What would be the problem with this.

FISCHER: We don't have a list. Of payors. We have a list of those who do not pay the tax. List of names of refunds.

BOE: How do we compare to other states?

FISCHER: Some boards are appointed by the Governor. Most states are similar. It is a major undertaking to send out refunds. You have to keep track of every producer.

UGLEM: Who got refunds. What was the reason for the refunds.

CHAIR: Any other testimony?

LOUIS CUSTOR NORTH WEST WHEAT COMMISSIONER BOARD: Serve on board Producers should be part of county in which they live to vote. That is consistent with state law. It is logical. As to mail order votes I can see that but there would be considerable cost in that.

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House Agriculture Committee
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The issue of refunds. The statute does not require that there is a double deduction. You do have to pay the tax.

CHAIRMAN NICHOLAS: Other testimony in support, in opposition.

OK we will close the hearing on HB 1272.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1272

House Agriculture Committee

Conference Committee

Hearing Date 2---10---05

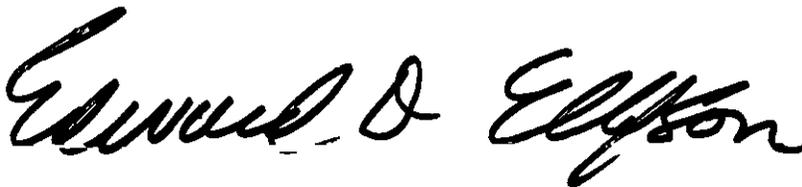
Tape Number
ONE

Side A

Side B
B

Meter #
00 TO 29.2

Committee Clerk Signature



Minutes:

CHAIRMAN NICHOLAS: O. K. We will go to HB 1272 Representative Headland would you care to go over your amendment.

REPRESENTATIVE HEADLAND: The amendment is to tighten up the membership of the four big commission sales. On page one, line twenty two puts language in that if they were absent two consecutive meetings. The reason that I felt the language needed to be tightened up is because the way I understand it they meet quarterly. If a member chooses to miss two meeting in a row how much is he really participating in the Commission itself and it is my feeling that we have a lot of growers out there. I think that if they can't show more interest in there position they should pass it on to someone else. That is what the language says on page one and on page two we just tightened up page 2 line 21 we wanted to tighten up the language where a producer can vote. The language as I see it they vote only in there own county.

{{{{please see the amendment which is attached.}}}} To hold a seat on the wheat commission the grower must producing wheat.

REPRESENTATIVE BRANDENBURG: I think these are some good amendments that people have questions about the wheat commission. We have many people that raise wheat in the state and I think these are reasonable amendments and requirements. Mr. Chairman, I move these amendments

CHAIRMAN NICHOLAS: Is there a second.

REPRESENTATIVE HEADLAND: SECONDED THE MOTION

CHAIR NICHOLAS: Is there any discussion?

REPRESENTATIVE MUELLER: I like the amendments. I don't like the word "'shall'"

I don't of any place or where thought that says the commission or organization or the board of directors "'shall'" declare members vacant if he misses two meetings. Two consecutive meetings. I sure hope we don't do that here in the state legislator. I hope that no other organization I get involved with would do that. I think those are tough word there and I would resist the amendment if that is the way it is going to be.

REPRESENTATIVE HEADLAND: We have commissioners that go south for the winter And I donut think they are participating and I don't think that is what producers want. It may seem harsh but I saw no other way to state it.

REPRESENTATIVE MUELLER The words MAY AND SHALL don't seem to be getting along. Is it possible that it could be a MAY INSTEAD OF SHALL.

REPRESENTATIVE HEADLAND: I think MAY opens up a gray area. What is ligament reason for absence.

REPRESENTATIVE BRANDENBURG: There are only seven members on the commission.

Thousand of wheat farmer in state. I think it is an honor and privilege to serve on board.

I hope no misses two meeting in a row. They are representing thousand of growers in the state.

You have to be able to take the time.

REPRESENTATIVE MUELLER:: I would like to heart the wheat commission thought on this.

HARLIN KLEIN: Generally we are scheduled to meet quarterly. We do have about seven meetings a year. It is more then four meeting a year. I don't disagree with what you are talking

about. As a commissioner you need to make the meetings. You are elected. You represent the people. The district needs to make that very clear to the person that is going to represent their district. We expect you to attend meetings.

REPRESENTATIVE HEADLAND: Why are the commissioners not attending he meetings.

HARLIN KLEIN: We schedule the meetings and the commissioners are out of state they do come back. For the commission meetings. We give them enough time to schedule. With myself I just work around it and make the meetings.

REPRESENTATIVE HEADLAND: I think that is what we are trying to do is say this is your priority. A standard you need to follow.

REPRESENTATIVE ONSTAD: You are leaving no excuse for emergency. What is considered a meeting. Quarterly, special meeting. I think it is harsh.

REPRESENTATIVE KINGSBURY: As to conference calls.

HARLIN: We do or have had conference calls. It was a medical emergency.

REPRESENTATIVE BRANDENBURG; I don't know how you amend this. You can't be in Arizona for three months. You can not do it that way..

REPRESENTATIVE HEADLAND: If ""may"" accomplishes what we want accomplished then I am OK with changing ""shall"" to ""may""

HARLIN: We need to go back to the district and have them address it. That is where it comes. From. Ask them are you going to be there?

REPRESENTATIVE KREIDT: We area talking about to consecutive meetings.

REPRESENTATIVE HEADLAND: Anita just pointed out language in the Beef Commission That is similar after shall there are the words without justification. Maybe that would clear up what we are trying to accomplish here.

REPRESENTATIVE MUELLER: I MOVE FOR AN AMENDMENT TO THE AMENDMENT THAT STATES ""WITHOUT JUSTIFICATION:""

CHAIRMAN NICHOLAS: IS THERE A SECOND?

KREIDT: SECONDED.

A VOICE VOTE WAS TAKEN. AND PASSED O.K. WE HAVE 1272 BEFORE US. AS AMENDED.

MUELLER BROKE IN AND SAID HE HAD AMENDMENTS FOR BILL. AMENDMENTS WERE PASSED OUT.

We are dealing with criteria from membership on the commission. I visited with some members of the Wheat Commission. It appeared to me that we could have a times an issue On refunding. That is what my amendment deals with. It basically says that if you are going to ask for a refund. If you are going to ask for wheat tax back , you need not be on the Wheat Commission. [please read amendment.

REPRESENTATIVE MUELLER: Moved for adoption of the amendment. Number 101.

CHAIR: IS THERE A SECOND.

REPRESENTATIVE BELTER SECONDED.

CHAIR: ANY FURTHER DISCUSSION.

REPRESENTATIVE MUELLER: If you have been getting your refund back You need not be on the wheat commission. I think 3 year period speaks to that.

REPRESENTATIVE BOE: Would this effect someone seated right now.

CHAIR: All those in favor signify by say yes.

REPRESENTATIVE HEADLAND HAS ONE MORE AMENDMENT AS TO BILL
Amendment addresses the election process. Participation in voting would be increased if a mail in vote could be taken.

REPRESENTATIVE BRANDENBURG: It would be a good amendment. I agree with the intent of the bill.

NEIL FISCHER: WE HAVE REFINERS LIST. THERE ARE PRIVACY ISSUES.

CHAIRMAN NICHOLAS: PUBLICATION COMES OUT TO ME FROM WHEAT
GROWERS. THERE ARE 19,000 ON THAT LIST. IT IS A STRUGGLE TO KEEP LIST
UP TO DATE.

CHAIRMAN NICHOLAS: Representative Belter.

REPRESENTATIVE BELTER: The way I read this depending upon how many if there were a hundred people that wanted the position in the district there would be 100 people on the ballot.

REPRESENTATIVE BRANDENBURG: We have not fine tuned that.

REPRESENTATIVE BELTER: Mr Chairman, I think that if we have three or five
But I don't think we want ten or twenty.

REPRESENTATIVE HEADLAND: I AGREE WITH REP. BELTER.

CHAIR SHOULD WE HOLD THIS UP. UNTIL TOMORROW.

LOUIE: Just a thought on. I have no problems with a mail order mail in ballot. Some where in there is going to have to address the nomination process. Right now the nomination takes place the same day as the election. The meeting is called People assemble. Nominations come forward. This would have to be addressed. Something in the statute.

Who absorbs the cost of mailing out the vote sheets.

REPRESENTATIVE HEADLAND: The wheat commission.

CHAIR: I AM GOING TO ASK REPRESENTATIVE HEADLAND TO GET THESE CLARIFIED BY THE COUNCIL AND BRING THESE BACK TOMORROW. MORNING.

CHAIRMAN NICHOLAS: ASKED FOR A WITHDRAWAL OF AMENDMENTS.

CLOSED ON HB 1272.

CHAIRMAN NICHOLAS CLOSED ON HB 1272

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1272

House Agriculture Committee

Conference Committee

Hearing Date 2---11----05

Tape Number
ONE

Side A
A

Side B

Meter #
24 TO 31

Committee Clerk Signature



Minutes:

CHAIRMAN NICHOLAS: O.K. Committee Members we open to HB 1272. Chairman Nicholas went through the amendments, 0101, 0103, 0105. Information leading up to these amendments was discussed at the first hearing on HB 1227.

REPRESENTATIVE HEADLAND: MADE A MOTION THAT THE AMENDMENTS BE ADOPTED.

REPRESENTATIVE BRANDENBURG SECONDED THE MOTION.

A VOICE VOTE WAS TAKEN AND THE AMENDMENTS WERE ADOPTED.

THE CHAIR ENTERTAINED A MOTION ON HB 1272.

REPRESENTATIVE MUELLER: MADE A MOTION FOR A DO PASS

REPRESENTATIVE BRANDENBURG SECONDED THE MOTION.

THE CHAIR CALLED FOR THE ROLL TO BE TAKEN.

THERE WERE 13 YES 0 NO 0 ABSENT

Page 2

House Agriculture Committee

Bill/Resolution Number HB 1272

Hearing Date 2----11-----05

REPRESENTATIVE HEADLAND CARRIED THE BILL.

REPRESENTATIVE CLOSED THE HEARING ON HB 1227

House Amendments to HB 1272 - Agriculture Committee 02/11/2005

Page 1, line 2, after "commission" insert "; and to provide for a legislative council study"

Page 1, line 16, after the period insert "An individual is not eligible to be a member of the wheat commission if that individual requested a refund under section 4-28-07 during the three-year period before the date on which the term sought by the individual would commence. This ineligibility does not apply to an individual who requested a refund because of an overpayment, as provided in subdivision c of subsection 2 of section 4-28-07."

Page 1, line 22, after the underscored period insert "A member of the wheat commission is not eligible to receive a refund under section 4-28-07; however, a member may request a refund because of an overpayment, as provided in subdivision c of subsection 2 of section 4-28-07. The commission shall declare a member's position vacant if the member fails to attend two consecutive commission meetings."

House Amendments to HB 1272 - Agriculture Committee 02/11/2005

Page 2, line 29, after "reasonable" insert ", except that a producer may vote only in the producer's county of residence"

House Amendments to HB 1272 - Agriculture Committee 02/11/2005

Page 3, line 8, after the period insert "To be eligible to hold the position of county representative, an individual must be actively engaged in the production of wheat. A county representative who elects not to plant wheat for one growing cycle may continue to serve as a county representative if the individual continues to be actively involved in farming. If a county representative elects not to plant wheat for more than one growing cycle, the member is deemed to have resigned and the commission shall declare the member's position vacant."

Page 3, after line 19, insert:

"SECTION 2. LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying, during the 2005-06 interim, the feasibility and desirability of revising the process for appointing or electing individuals to the North Dakota wheat commission. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly."

Renumber accordingly

HB 1272

Date: 2-11-05
Roll Call Vote #:

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House: HOUSE AGRICULTURE COMMITTEE Committee

Check here for Conference Committee

*Amendment 0101
move
Amendment 0103
0105*

Legislative Council Amendment Number

Action Taken

DO PASS

Motion Made By

HEADLAND

Seconded By

BRANDENBURG

Representatives
REP. EUGENE NICHOLAS
CHAIRMAN
REP. JOYCE KINGSBURY
VICE CHAIRMAN
REP. WESLEY BELTER

REP. M. BRANDENBURG
REP. CHUCK DAMSCHEN
REP. CHAIG HEADLAND
REP. GARY KREIDT
REP. GERALD UGLEM
REP. JOHN WALL

Yes No

Representatives
REP. TRACY BOE

REP. ROD FROELICH

REP. PHILLIP
MUELLER
REP. KENTON ONSTAD

Yes No

Vote

Total (Yes) No

Absent

Floor Assignment

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

HB 1272

Date:
Roll Call Vote #:

2-11-05

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House HOUSE AGRICULTURE COMMITTEE

Committee

Check here for Conference Committee

AS Amended

Legislative Council Amendment Number

Action Taken

DO PAS

Motion Made By

Mueller

Seconded By

BRANDENBURG

Representatives	Yes	No	Representatives	Yes	No
REP. EUGENE NICHOLAS CHAIRMAN	✓		REP. TRACY BOE	✓	
REP. JOYCE KINGSBURY VICE CHAIRMAN	✓		REP. ROD FROELICH	✓	
REP. WESLEY BELTER	✓		REP. PHILLIP MUELLER	✓	
REP. M. BRANDENBURG	✓		REP. KENTON ONSTAD	✓	
REP. CHUCK DAMSCHEN	✓				
REP. CHAIG HEADLAND	✓				
REP. GARY KREIDT	✓				
REP. GERALD UGLEM	✓				
REP. JOHN WALL	✓				

Total (Yes)

13

No

0

Absent

0

Floor Assignment

HEADLAND

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

REPORT OF STANDING COMMITTEE

HB 1272: Agriculture Committee (Rep. Nicholas, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1272 was placed on the Sixth order on the calendar.

Page 1, line 2, after "commission" insert "; and to provide for a legislative council study"

Page 1, line 16, after the period insert "An individual is not eligible to be a member of the wheat commission if that individual requested a refund under section 4-28-07 during the three-year period before the date on which the term sought by the individual would commence. This ineligibility does not apply to an individual who requested a refund because of an overpayment, as provided in subdivision c of subsection 2 of section 4-28-07."

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Page 2, line 29, after "reasonable" insert ", except that a producer may vote only in the producer's county of residence"

Page 3, line 8, after the period insert "To be eligible to hold the position of county representative, an individual must be actively engaged in the production of wheat. A county representative who elects not to plant wheat for one growing cycle may continue to serve as a county representative if the individual continues to be actively involved in farming. If a county representative elects not to plant wheat for more than one growing cycle, the member is deemed to have resigned and the commission shall declare the member's position vacant."

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Renumber accordingly

2005 SENATE AGRICULTURE

HB 1272

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1272

Senate Agriculture Committee

Conference Committee

Hearing Date March 11, 2005

Tape Number	Side A	Side B	Meter #
1	x		111 - 5257
1		x	1119 - 2330

Committee Clerk Signature



Minutes:

Chairman Flakoll opened the hearing on HB 1272, a bill relating to membership of the wheat commission; and to provide for a legislative council study. All members were present.

Representative Headland introduced the bill. It was introduced to strengthen the qualifications for the Wheat Commission. If a person has requested a refund of the wheat checkoff in the prior three years, they are ineligible to serve on the Wheat Commission, if they do not grow wheat, they are ineligible and they must attend the meetings in order to remain in the Wheat Commission.

Senator Klein asked if they meet four consecutive meetings, out of the four meetings per year, they may not serve.

Representative Headland said yes.

Representative Headland said what is right for the Wheat Commission is right for the district representatives too. There has been some confusion in where producers vote and this bill clarifies they vote in the county of residence. They wanted to provide for producers to participate

in the elections by mail but they didn't have time to devise a system for it so they provide for a legislative study in the bill.

Senator Flakoll asked about a producer who lives in one county but grows wheat in another.

(meter 393)

Representative Headland said they would vote in the county where they lived.

Senator Klein asked if you can vote if you don't plant wheat for a year but not be a representative.

Representative Headland said that is correct, the election process has not been changed.

Senator Erbele asked if a producer gets a refund can they still vote.

Representative Headland said yes.

Senator Flakoll asked if a member of the Wheat Commission misses two consecutive meetings and is removed from the board, is there a provision to get back on the board.

Representative Headland said there was a lot of discussion about this and the language is harsh.

It is the same language as the Beef Commission. He thought there was language in the bill that would provide for extenuating circumstances but its not in the bill now, he is not sure why.

Senator Flakoll asked what is the term of a member of the Wheat Commission.

Representative Headland said four years.

Senator Urlacher asked if a Wheat Commission member is ineligible after a year, would there be an election to replace him.

Representative Headland said yes.

Senator Taylor asked if the Wheat Commission could take care of this through rule making and not go through the legislature.

Representative Headland said the qualifications of the Wheat Commission are in code now.

The Wheat Commission can't make their own rules on it.

Senator Seymour asked if the Wheat Commission has its own bylaws and constitution.

Representative Brandenburg testified in favor of the resolution. If you play, you should pay.

You vote where you live. Some farmers have voted in more than one county. Regarding missed meetings, there are four quarterly meetings per year plus special meetings. It is an honor and privilege to serve on the Wheat Commission. The Beef Commission has a phrase about undue cause that is not in the bill now. This means you cannot spend the winter in Arizona and serve on the Wheat Commission. It is happening. We also need to study the election process.

Senator Seymour said he has mixed emotion about this, if a producer who gets a refund, they are not eligible to serve on the Wheat Commission. In a democracy, everyone should have their voice.

Representative Brandenburg said he had the same feelings. However, when you pay the checkoff you are part of the process.

Senator Flakoll asked if you can be on the board of the Dickey County Rural Telephone Cooperative if you do not use their services. (meter 1341)

Representative Brandenburg said no.

Representative Headland said you cannot be a member if you don't use the services.

Harlan Klein, Chairman of the North Dakota Wheat Commission, testified in favor of the bill.

(written testimony) (meter 1418) It is important to update the qualifications. The board is required to meet quarterly but it is usually 6 - 9 meetings per year. In his county they rotate the county elections between three towns. In Carson, the attendance of wheat producers in less, it is

more livestock country. You never know where the meeting will be in the rotation when a commissioner is elected. In Elgin and New Leipzig, more wheat producers attend.

Senator Flakoll asked if attendance has been a problem.

Mr. Klein said some people think it is but he doesn't.

Senator Flakoll asked how much notice is given before meetings.

Mr. Klein said two or three weeks.

Senator Flakoll asked if the legislative intent is to include special meetings in the two consecutive meetings clause.

Mr. Klein said that is a good question.

Senator Flakoll asked if meetings can be at the call of the chair.

Mr. Klein said yes.

Senator Flakoll said a chair could attempt to get someone off the board who had missed a meeting by calling another at an inopportune time.

Mr. Klein said that is possible.

Senator Flakoll asked if a farmer rents out his land, is he eligible to serve on the Wheat Commission.

Mr. Klein said if they pay the check off, they are a producer so if they crop share, they can serve, if they cash rent, they cannot.

Senator Klein asked why there were only 7 people at the election in Mr. Klein's county, didn't they serve a free meal.

Mr. Klein said they served lunch.

Senator Klein asked if the county agent determines who the wheat producers are.

Mr. Klein said yes but at the county meeting, everyone knows their neighbors.

Louis Custer, a durum producer from Montrail county, testified in favor of the bill. (meter 2160) He is the district 2 commissioner on the Wheat Commission. He has some concerns. He is testifying as an individual because the Wheat Commission does not have a position on the bill. He initially supported the refund clause but he can see the other side of the issue. It might insulate the Wheat Commission from change and dissent. The bill has no prohibition regarding county representatives and refunds. It could shrink the pool of participants, of eligible board candidates. If a producer feels the Wheat Commission hasn't heard their grievances, they may feel the refund process is their only way to be heard. We need to be careful about limiting their ability to refund. He has no problem with the Wheat Commission members not refunding because they have a seat at the table and can affect change in that chair. The three year restriction should be reconsidered. Election participation is small sometimes, large sometimes. If there is a hot issue, there is a good turnout. He supports the requirement to raise wheat. If a farmer is renting his land, he doesn't belong on the board because he doesn't feel the results of board action.

Senator Klein asked if he has concerns about a county representative not seeking a refund.

Mr. Custer said there is only one chance in four years to serve on the Wheat Commission. If a producer refunded just one load of wheat within three years they would not be eligible. Refunds are requested every 60 days.

Senator Taylor asked if he fears the Wheat Commission could get too chummy, too yes oriented.

Senator Flakoll asked if the refund rate is 6 -7%.

Mr. Custer said it is about 6.5%, based on money, not on producers.

Senator Klein said with 6 - 7% refunds, there is still a base. 6% of the dollars is different than 6% of the producers.

Mr. Custer said he thinks it would be less than 1% of producers.

Senator Klein said that is not hurting the pool of candidates very much.

Mr. Custer said some of the more outspoken candidates tend to be good in these positions.

Jim Diepolder, Willow City farmer, testified in favor of the bill. (meter 3364) He would like to see the refund clause changed from three years to one year. Three years could take someone out of the whole election cycle. The Wheat Commission should be limited to hands on farmers, they should be listed as operators at their county FSA office. This is a problem. The Wheat Commission hasn't taken a position on this. One member of the Wheat Commission only raises one quarter of wheat and one is semi retired and one has not been an operator for four years. November to March is the time to participate on the Wheat Commission and a member can't be in Arizona. Elections are a problem, producers don't show up. Five or ten might show up in when there are 3000 wheat producers. Maybe mail in ballots are a good idea.

Senator Klein asked if a farmer renting his land on a crop share basis is OK to serve.

Mr. Diepolder said they would be eligible to vote and maybe serve as county representative but not the Wheat Commission. They need to be hands on farmers to serve on Wheat Commission. If their primary function is not farming they should not be on the Wheat Commission. They need to be an operator.

Senator Seymour said sometimes active farmers don't have time to serve.

Mr. Diepolder said that is correct but priorities need to be set.

Josh Kramer, North Dakota Farmers Union, testified in favor of the bill. He sees a problem with the three year refund clause. If a producer doesn't agree with the mandated 2 mils, you can't refund and have a voice on the Wheat Commission.

Senator Taylor asked what his position would be on a one year refund clause instead of three.

Mr. Kramer said he would have to refer to the policy manual but one year would be better than three.

Chairman Flakoll asked Neal Fisher to appear for informational purposes.

Neal Fisher, administrator of the North Dakota Wheat Commission, appeared to answer questions. (meter 4161)

Senator Flakoll asked if he supports the study resolution.

Mr. Fisher said yes.

Senator Flakoll asked if they had considered pilot projects in an individual district to try voting by mail.

Mr. Fisher said it had not been discussed or suggested.

Senator Flakoll asked if the refund rate of 6.5% based on dollars, 1% based on producers seems accurate.

Mr. Fisher said the rate is 6.9% of dollars. He could get a document on the number of individuals. Because the refunds are not applied for annually but rather every 60 days, it varies throughout the year. The number of annual applications does not equal the number of individuals requesting a refund annually.

Senator Flakoll asked if he were a member of the Wheat Commission would it be permissible for his wife to get a refund.

Mr. Fisher said that is his understanding.

Senator Flakoll asked about the language that would be removed by the bill that refers to substantial income in five years, on page 1. Was that removed because it was nebulous.

Mr. Fisher said that was the original language, drafted in 1959. It is time to review the language, things change, the industry changes.

Senator Taylor asked about attendance at last years meeting.

Mr. Fisher said the Wheat Commission is required to meet a minimum of 4 times per year. It is common for them to meet much more often. They sometimes have conference calls. Attendance has varied. A recent vote on the national merger was 6-0 because one member was missing.

Senator Flakoll asked what is his interpretation of "each member is actively engaged in the production of wheat".

Mr. Fisher said the will behind this bill is to address this issue. There is something very right about being an active producer, you need to be to know the challenges of banking, of crop insurance. There are some folks who share crop wheat who are paying a substantial level of check off.

Senator Flakoll asked what his recommendation would be regarding share cropping, line 22 and 23.

Mr. Fisher said it would depend on the definition of active farmer, that is a judgment call.

Senator Klein asked if actively engaged means being out there everyday, having your livelihood depend on it. Actively engaged does not mean driving out to check on the farmer renting the property. To him actively engaged means out there fueling up and in the field.

Mr. Fisher said he agrees.

Senator Flakoll asked his opinion on one year vs. three years for the refund.

Mr. Fisher said he doesn't. He thinks the language may have come from the barley commission.

The Wheat Commission has the oldest language and some of the other commodity groups have modified the language as they have been formed.

Senator Klein asked if other commodity groups have a three year refund provision as a part of their board requirements.

Mr. Fisher said yes, the barley producers, he doesn't know about peas and lentils or oilseed and of course beef has no refund.

Chairman Flakoll closed the hearing on HB 1272.

Chairman Flakoll said he would prefer not to act on the bill today, he anticipates there will be some amendments.

Senator Klein said on page 2, apparently the sponsors thought there was verbiage included that would excuse a reasonable absence. Maybe we should look at the language in the other groups requirements. The other thing he heard was maybe some stronger language should be added to the actively engaged requirement. Also the three year period may need to be changed, a compromise could be reached. If 6% of the money is being refunded but only 1% of producers, are we really holding anybody up here. (meter 1119, side B)

Senator Flakoll said the compromise on three years could be one year.

Senator Klein said whether it should be one, two or three years, do we need to find some common ground.

Senator Seymour said one year would be a good compromise.

Senator Klein said we can certainly take a look at that as we move along.

Senator Taylor said he would like to see it at one year or not at all, there could be producers that might refund a small portion. There are not always a large group of people willing to serve.

Senator Flakoll said when do we get big crowds, its when people are mad. When do the wheat growers get large crowds at their meetings, its when there is a problem.

Senator Klein asked if you are a refunder, do you need to pay your own way to the Wheat Commission meetings, since you have not contributed to their funds.

Senator Erbele said if you are not a payer, you have to become one when you sit on the Wheat Commission.

Chairman Flakoll asked if Senator Klein will bring amendments on page 2 , lines 7 and 8. We will need at least 3 amendments on various topics. He asked Senator Seymour to work on amendments for the three year refund clause. Perhaps Senator Klein will work on the actively engaged section.

Senator Klein said he may have a comprehensive set of amendments.

Senator Flakoll said the sharecropping issue is murky.

Senator Erbele said it is hard for us to micro manage, it is up to those producers at the local meetings.

Senator Urlacher asked if you are leaving out active.

Senator Erbele said no, just not further define it.

Senator Klein said they need to be actively engaged. Can you load the local convention and get someone elected that is not actively engaged.

Senator Flakoll said the answer is probably yes. The elections are all posted and published.

Senator Erbele said even if you could stack the local meeting, it would be difficult to stack the district.

Senator Klein said it could be argued that in a district a long time representative was ousted.

We can't legislate that.

Senator Urlacher said one of his concerns is about missing 2 meetings when you are also including special meetings.

Senator Klein said his amendment will address this.

Senator Klein and Senator Seymour said they will sit down and work on amendments together.

They may visit with the sponsors on the house side as well.

Senator Taylor said there are some good changes in this bill but he doesn't think it has been a state of anarchy without it.

Chairman Flakoll closed the discussion on HB 1272.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1272

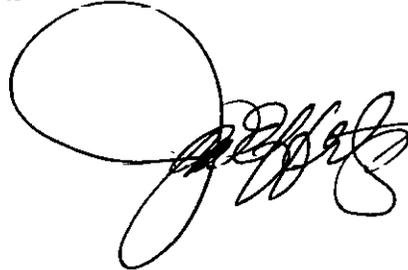
Senate Agriculture Committee

Conference Committee

Hearing Date March 17, 2005

Tape Number	Side A	Side B	Meter #
1	x		49 - 504

Committee Clerk Signature



Minutes:

Chairman Flakoll opened the discussion on HB 1272.

Senator Klein said he and Senator Seymour have worked together on the amendments. There are three changes, the change to 12 months, actively engaged was left as is because Anita Thomas couldn't find a better description, and on page 2 shall was changed to may in regards to declaring a member's position vacant. This would give the Wheat Commission some flexibility. This wording is from the Beef Commission.

Senator Klein moved the amendment 50544.0201.

Senator Erbele seconded the motion.

Senator Taylor asked if the Wheat Commission could declare a position vacant if all three lines were struck, would it still be in their hands.

Senator Klein said he isn't sure. He did run these amendments past the House sponsors and they said they were acceptable.

Page 2

Senate Agriculture Committee

Bill/Resolution Number HB 1272

Hearing Date March 17, 2005

Senator Flakoll said this would give the Wheat Commission some guidelines.

Senator Klein said this clarifies the members are expected to be there for consecutive meetings.

Senator Taylor said this is a good compromise, part of him says there should be no ineligibility for refunding but if the sponsors are all right with 12 months, we have done a pretty good job.

Senator Klein said he ran this by the sponsors but you know what can happen over time, he hopes the chairman would confer with the sponsors before he decides whether or not to concur.

The motion passed on a roll call vote 6-0-0.

Senator Klein moved a do pass as amended on HB 1272.

Senator Erbele seconded the motion.

The motion passed on a roll call vote 6-0-0.

Senator Klein will carry the bill.

March 15, 2005

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1272

Page 1, line 18, replace "three-year" with "twelve-month"

Page 2, line 6, replace "shall" with "may"

Renumber accordingly

Date: 3/17/05
Roll Call Vote # 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1272

Senate Agriculture

Committee

Check here for Conference Committee

Legislative Council Amendment Number

Action Taken *Move amendment 50544.0201*

Motion Made By *Sen. Klein* Seconded By *Sen Erbele*

Senators	Yes	No	Senators	Yes	No
Senator Flakoll	✓		Senator Seymour	✓	
Senator Erbele	✓		Senator Taylor	✓	
Senator Klein	✓				
Senator Urlacher	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment

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

Date: 3/17/05
Roll Call Vote # 2

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. *Eng. 1272*

Senate Agriculture

Committee

Check here for Conference Committee

Legislative Council Amendment Number

Action Taken *Do Pass As Amended*

Motion Made By *Sen. Klein* Seconded By *Sen. Erbele*

Senators	Yes	No	Senators	Yes	No
Senator Flakoll	✓		Senator Seymour	✓	
Senator Erbele	✓		Senator Taylor	✓	
Senator Klein	✓				
Senator Urlacher	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment *Sen. Klein*

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

REPORT OF STANDING COMMITTEE

HB 1272, as engrossed: Agriculture Committee (Sen. Flakoll, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1272 was placed on the Sixth order on the calendar.

Page 1, line 18, replace "three-year" with "twelve-month"

Page 2, line 6, replace "shall" with "may"

Renumber accordingly

2005 TESTIMONY

HB 1272

Testimony on HB 1272

Thursday, January 27, 2005

Chairman Nicholas and members of the House Ag Committee.
Good morning, my name is Harlan Klein, Chairman of the North Dakota Wheat Commission. I am here to testify in support of House Bill No. 1272.

The seven wheat producers who serve as either an elected or appointed member of the Wheat Commission board know that being a Commission member requires a lot of personal time, commitment and responsibility. As many of you probably know, six of the board members are elected from the six production-weighted Commission districts and the seventh, the Commissioner-at-large, is appointed by the Governor from a list of three candidates screened by an inclusive committee made up of prominent wheat and related agricultural entities in the state. The system has worked well, allowing grass roots producers to select one of their own at the county level, followed by district

elections. The process has resulted in a statewide board of directors, made up of well known and respected wheat farmers with the experience, continuity and dedication required to represent our fellow North Dakota wheat producers. The flexibility provided by the opportunity to serve for multiple four-year terms, also requires that individual board members earn and maintain the trust and support of their fellow wheat producers.

A key part of this earned trust and support among fellow wheat producers is active involvement in wheat production, marketing, and the myriad of issues associated with a successful wheat enterprise. Our active involvement with wheat production on our own farm, and our individual need for wheat to be a successful and profitable enterprise on our individual farming operation, drives our interest and ability to serve on the Board. It is my firm belief that this individual connection with wheat production is what makes for a strong Commission, which has served North Dakota wheat producers in an exemplary manner since 1959. Testament

to this is the fact that most Commissioners generally serve more than one term and in many cases serve the full twelve year term limit.

The bill we are discussing today would help to ensure this is always the case, by updating the existing language in our law which describes qualifications to serve as a Board member.

While the existing language has served us well, it has been around for a number of years and there is merit in providing a more finite description of an active wheat producer. It should be noted however, that this new language in the Wheat Commission's enabling legislation would be the most restrictive language for Board member qualifications of any of the commodity groups at the present time.

Since this bill would update the description of qualifications to serve on the Board, we would like to suggest to this committee that it also may be an opportune time to also include language

which may better define producers that are eligible to participate in the county election process, either as a voter and/or as an elected or appointed representative. Other commodity groups have language which does not allow producers who seek refunds of the check-off to participate in the election process. Similar language in the Wheat Commission law may also have merit.

Thanks for your time, and depending on the wishes of the Chairman, I am available for any questions.

Testimony on HB 1272
Senate Agriculture Committee
Friday, March 11, 2005

Chairman Falkoll and members of the Senate Agriculture Committee. Good morning, my name is Harlan Klein, Chairman of the North Dakota Wheat Commission. I am here to testify in support of House Bill No. 1272.

The seven wheat producers who serve as either an elected or appointed member of the Wheat Commission board know that being a Commission member requires a lot of personal time, commitment and responsibility. As many of you probably know, six of the board members are elected from the six production-weighted Commission districts and the seventh, the Commissioner-at-large, is appointed by the Governor from a list of three candidates screened by an inclusive committee made up of prominent wheat and related agricultural entities in the state. The system has worked well, allowing grass roots producers to select one of their own at the county level, followed by district

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which may better define producers that are eligible to participate in the county election process, either as a voter and/or as an elected or appointed representative. Other commodity groups have language which does not allow producers who seek refunds of the check-off to participate in the election process.

Thank you for your time and I would be happy to answer any questions you may have.