

**Sixtieth Legislative Assembly of North Dakota
In Regular Session Commencing Wednesday, January 3, 2007**

HOUSE BILL NO. 1020
(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers, and agronomy seed farm; to amend and reenact sections 4-41-02 and 24-02-03.3 of the North Dakota Century Code, relating to industrial hemp licenses and the central motor pool; to provide for transfer of funds; to provide legislative intent; to provide for a report to the sixty-first legislative assembly; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm in section 3 of this Act as follows:

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

Extension service	\$37,542,499
Soil conservation committee	<u>837,238</u>
Total all funds - Base level	\$38,379,737
Less estimated income - Base level	<u>23,021,591</u>
Total general fund - Base level	\$15,358,146

Subdivision 2.

NORTHERN CROPS INSTITUTE

Total all funds - Base level	\$1,902,683
Less estimated income - Base level	<u>991,922</u>
Total general fund - Base level	\$910,761

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

Total all funds - Base level	\$16,452,937
Less estimated income - Base level	<u>15,290,033</u>
Total general fund - Base level	\$1,162,904

Subdivision 4.

MAIN RESEARCH CENTER

Total all funds - Base level	\$75,456,713
Less estimated income - Base level	<u>44,662,646</u>
Total general fund - Base level	\$30,794,067

Subdivision 5.

RESEARCH CENTERS

Dickinson research center	\$5,563,870
Central grasslands research center	2,335,297
Hettinger research center	1,809,657
Langdon research center	1,336,094
North central research center	3,930,540
Williston research center	2,271,878
Carrington research center	4,258,340
Total all funds - Base level	\$21,505,676
Less estimated income - Base level	13,119,367
Total general fund - Base level	\$8,386,309

Subdivision 6.

AGRONOMY SEED FARM

Agronomy seed farm	\$1,201,008
Total special funds - Base level	\$1,201,008
Total general fund - Section 1	\$56,612,187
Total special funds - Section 1	\$98,286,567
Total all funds - Section 1	\$154,898,754

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm which are included in the appropriation in section 3 of this Act as follows:

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

Extension service	\$3,989,956
Soil conservation committee	(99,438)
Total all funds - Adjustments/enhancements	\$3,890,518
Less estimated income - Adjustments/enhancements	844,033
Total general fund - Adjustments/enhancements	\$3,046,485

Subdivision 2.

NORTHERN CROPS INSTITUTE

Total all funds - Adjustments/enhancements	\$720,428
Less estimated income - Adjustments/enhancements	487,797
Total general fund - Adjustments/enhancements	\$232,631

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

Total all funds - Adjustments/enhancements	\$11,119,654
Less estimated income - Adjustments/enhancements	11,072,603
Total general fund - Adjustments/enhancements	\$47,051

Subdivision 4.

MAIN RESEARCH CENTER

Total all funds - Adjustments/enhancements	\$11,885,735
Less estimated income - Adjustments/enhancements	<u>(1,559,949)</u>
Total general fund - Adjustments/enhancements	\$13,445,684

Subdivision 5.

RESEARCH CENTERS

Dickinson research center	\$513,359
Central grasslands research center	(67,791)
Hettinger research center	631,555
Langdon research center	361,199
North central research center	(105,724)
Williston research center	862,491
Carrington research center	<u>1,319,750</u>
Total all funds - Adjustments/enhancements	\$3,514,839
Less estimated income - Adjustments/enhancements	<u>597,064</u>
Total general fund - Adjustments/enhancements	\$2,917,775

Subdivision 6.

AGRONOMY SEED FARM

Agronomy seed farm - Adjustments/enhancements	\$29,338
Total special funds - Adjustments/enhancements	\$29,338
Total general fund - Section 2	\$19,689,626
Total special funds - Section 2	\$11,470,886
Total all funds - Section 2	\$31,160,512

SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm for the purpose of defraying the expenses of those agencies, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

Extension service	\$41,532,455
Soil conservation committee	<u>737,800</u>
Total all funds	\$42,270,255
Less estimated income	<u>23,865,624</u>
Total general fund appropriation	\$18,404,631

Subdivision 2.

NORTHERN CROPS INSTITUTE

Total all funds	\$2,623,111
Less estimated income	<u>1,479,719</u>
Total general fund appropriation	\$1,143,392

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

Total all funds	\$27,572,591
Less estimated income	<u>26,362,636</u>
Total general fund appropriation	\$1,209,955

Subdivision 4.

MAIN RESEARCH CENTER

Total all funds	\$87,342,448
Less estimated income	<u>43,102,697</u>
Total general fund appropriation	\$44,239,751

Subdivision 5.

RESEARCH CENTERS

Dickinson research center	\$6,077,229
Central grasslands research center	2,267,506
Hettinger research center	2,441,212
Langdon research center	1,697,293
North central research center	3,824,816
Williston research center	3,134,369
Carrington research center	<u>5,578,090</u>
Total all funds	\$25,020,515
Less estimated income	<u>13,716,431</u>
Total general fund appropriation	\$11,304,084

Subdivision 6.

AGRONOMY SEED FARM

Agronomy seed farm	<u>\$1,230,346</u>
Total special funds appropriation	\$1,230,346
Grand total general fund appropriation - H.B. 1020	\$76,301,813
Grand total special funds appropriation - H.B. 1020	\$109,757,453
Grand total all funds appropriation - H.B. 1020	\$186,059,266

SECTION 4. ADDITIONAL INCOME - APPROPRIATION. In addition to the amount included in the grand total special funds appropriation line item in section 3 of this Act, any other income, including funds from federal acts, private grants, gifts, and donations, or from other sources received by the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm, except as otherwise provided by law, is appropriated for the purpose designated in the act, grant, gift, or donation, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 5. TRANSFER AUTHORITY. Upon approval of the state board of agricultural research and education and appropriate branch research center directors, the director of the main research center may transfer appropriation authority within subdivisions 1, 2, 4, and 5 of section 3 of this Act and shall notify the office of management and budget within ten days following the transfer.

SECTION 6. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. The board of higher education is authorized to adjust or increase full-time equivalent positions as needed for the entities in section 3 of this Act, subject to availability of funds. The board shall report any adjustments to the office of management and budget prior to the submission of the 2009-11 budget request.

SECTION 7. AMENDMENT. Section 4-41-02 of the North Dakota Century Code is amended and reenacted as follows:

4-41-02. Industrial hemp - Licensure - Reporting requirements - Continuing appropriation.

1. Any person desiring to grow industrial hemp for commercial purposes shall apply to the agriculture commissioner for a license on a form prescribed by the commissioner. The application for a license must include the name and address of the applicant and the legal description of the land area to be used to produce industrial hemp. Except for employees of the agricultural experiment station or the North Dakota state university extension service involved in research and extension related activities, the commissioner shall require each applicant for initial licensure to submit to a statewide and nationwide criminal history check. The nationwide criminal history check must be conducted in the manner provided in section 12-60-24. All costs associated with the background check are the responsibility of the applicant. Criminal history records provided to the commissioner under this section are confidential. The commissioner may use the records only in determining an applicant's eligibility for licensure. Any person with a prior criminal conviction is not eligible for licensure. If the applicant has completed the application process to the satisfaction of the commissioner, the commissioner shall issue the license, which is valid for a period of one year. Any person licensed under this section is presumed to be growing industrial hemp for commercial purposes. A license required by this section is not conditioned on or subject to review or approval by the United States drug enforcement agency.
2. Each licensee must file with the commissioner documentation indicating that the seeds planted were of a type and variety certified to have no more than three-tenths of one percent tetrahydrocannabinol and a copy of any contract to grow industrial hemp. Each licensee shall notify the commissioner of the sale or distribution of any industrial hemp grown by the licensee, and the names of the persons to whom the hemp was sold or distributed.
3. The commissioner shall adopt rules to allow the industrial hemp to be tested during growth for tetrahydrocannabinol levels and to allow for supervision of the industrial hemp during its growth and harvest. To provide sufficient funds to pay costs associated with monitoring and testing industrial hemp in the state, the commissioner shall assess each applicant a fee of five dollars per acre. The minimum fee assessed must be one hundred fifty dollars per applicant. Collections from this fee must be deposited in the attorney general's operating fund and are hereby appropriated to the attorney general to be used to enforce this chapter.

SECTION 8. AMENDMENT. Section 24-02-03.3 of the North Dakota Century Code is amended and reenacted as follows:

24-02-03.3. Central management system for all state-owned licensed motor vehicles.

1. The director shall establish within the department a central vehicle management system to regulate the operation, maintenance, and management of all motor vehicles owned or leased by the state subject to registration under chapters 39-04 and 39-05. Upon the request of a state agency and an agreement between the agency and director for the use of the motor vehicle-related equipment, the director may purchase or lease motor vehicle-related equipment and include that equipment within the system. The director shall provide a uniform method of documenting the use and cost of operation of motor vehicles and motor vehicle-related equipment in the system. The director shall advise the director of the office of management and budget as to the need to acquire or dispose of system motor vehicles. The specifications for highway patrol vehicles to be acquired may be set by the highway patrol superintendent. Every state agency, institution, department, board, bureau, and commission unless exempted by the director must use the system. At the request of the director of the North Dakota agricultural experiment station, certain vehicles used in farming operations at the agronomy seed farm and branch research centers shall be exempt from the requirements of this section. However, an agency, institution,

department, board, bureau, or commission may authorize the use of an employee's personal motor vehicle pursuant to subsection 4 of section 54-06-09.

2. The director may enter into an agreement with a state employee who has a disability requiring a specially-equipped vehicle to pay a mileage rate greater than the rate established in section 54-06-09 for the employee's use of the employee's specially-equipped motor vehicle while conducting state business. The rate must be based on the rate provided in section 54-06-09, increased by the actual cost per mile caused by the special equipment, and may not exceed the cost associated with the special equipment expressed as the new value plus the depreciated fair market value in eight years divided by two, divided by twenty thousand miles.
3. Each entity required to use the system shall submit records of the operation of each vehicle as directed by the director.

SECTION 9. UNEXPENDED GENERAL FUND - EXCESS INCOME. Any unexpended general fund appropriation authority to and any excess income received by entities listed in section 3 of this Act are not subject to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations or revenues are available and may be expended by those entities, during the biennium beginning July 1, 2009, and ending June 30, 2011.

SECTION 10. LEGISLATIVE INTENT - BEEF RESEARCH FACILITY. It is the intent of the sixtieth legislative assembly that before proceeding with a beef research facility, a documented agreement as to the location of the facility must be provided to the main research center from applicable city and county government officials.

SECTION 11. LEGISLATIVE INTENT - OPERATING POOL FUNDING. It is the intent of the sixtieth legislative assembly that the appropriation from the permanent oil tax trust fund as provided in subdivision 4 of section 3 of this Act is to be available only for providing funding for operations of the Dickinson research center and the amount provided is to be limited to the lesser of \$750,000 or the amount actual oil revenues are less than budgeted for the research center for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 12. LEGISLATIVE INTENT - USE OF LIVESTOCK FACILITIES. It is the intent of the sixtieth legislative assembly that the agricultural experiment station consider options to ensure that the use of the livestock facilities at Dickinson, Hettinger, Carrington, and Streeter are being maximized.

SECTION 13. NATIONAL CATTLEMEN'S BEEF ASSOCIATION FUNDING - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The agricultural experiment station shall provide a report to the sixty-first legislative assembly regarding the funding received during the biennium beginning July 1, 2007, and ending June 30, 2009, from the national cattlemen's beef association.

SECTION 14. EXEMPTION. The amounts appropriated for the research greenhouse complex project, as contained in subdivision 4 of section 3 of chapter 48 of the 2005 Session Laws and for the north central research center laboratory and greenhouse project, as contained in subdivision 5 of section 3 of chapter 48 of the 2005 Session Laws are not subject to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations or related revenues are available and may be expended during the biennium beginning July 1, 2007, and ending June 30, 2009. The main research center may use any funding available within the total appropriation authority for the main research center greenhouse project to begin construction of the greenhouses.

SECTION 15. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total appropriation in section 3 of this Act includes \$8,732,750 from the general fund and \$750,000 from the permanent oil tax trust fund for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The agricultural experiment station shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

North central research center laboratory and greenhouse project	\$400,000
North central research center equipment storage facility	300,000
Main research center greenhouse project	7,000,000
Deferred maintenance pool	100,000
Carrington, Hettinger, and north central research centers office addition projects	907,750
Operating pool from permanent oil tax trust fund	750,000
Extraordinary repairs at northern crops institute	<u>25,000</u>
Total	\$9,482,750

SECTION 16. EMERGENCY. The appropriation for capital projects of \$5,500,000 in subdivision 3 of section 3, \$7,907,750 in subdivision 4 of section 3, and \$1,101,000 in subdivision 5 of section 3 and section 7 of this Act are declared to be an emergency measure.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixtieth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1020 and that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 92 Nays 0 Absent 2

Speaker of the House

Chief Clerk of the House

This certifies that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 47 Nays 0 Absent 0

President of the Senate

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2007.

Approved at _____ M. on _____, 2007.

Governor

Filed in this office this _____ day of _____, 2007,
at _____ o'clock _____ M.

Secretary of State