

February 14, 2007

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1020

Page 1, line 3, after "farm" insert "; to amend and reenact section 24-02-03.3 of the North Dakota Century Code, relating to the central motor pool" and after "funds" insert "; to provide for a study; to authorize hemp seed procurement; to provide an exemption"

Page 3, line 5, replace "3,149,956" with "4,214,956"

Page 3, line 7, replace "2,942,718" with "4,007,718"

Page 3, line 9, replace "2,098,685" with "3,163,685"

Page 3, line 12, replace "695,428" with "770,428"

Page 3, line 14, replace "207,631" with "282,631"

Page 3, line 17, replace "11,026,610" with "11,002,726"

Page 3, line 19, replace "60,980" with "37,096"

Page 3, line 22, replace "11,242,066" with "10,276,066"

Page 3, line 23, replace "(3,401,489)" with "(2,951,489)"

Page 3, line 24, replace "14,643,555" with "13,227,555"

Page 3, line 31, replace "(405,724)" with "(155,724)"

Page 4, line 1, replace "612,491" with "762,491"

Page 4, line 2, replace "1,223,750" with "1,319,750"

Page 4, line 3, replace "2,868,839" with "3,364,839"

Page 4, line 5, replace "2,271,775" with "2,767,775"

Page 4, line 10, replace "19,282,626" with "19,478,742"

Page 4, line 11, replace "9,522,373" with "9,972,373"

Page 4, line 12, replace "28,804,999" with "29,451,115"

Page 4, line 22, replace "40,692,455" with "41,757,455"

Page 4, line 24, replace "41,322,455" with "42,387,455"

Page 4, line 26, replace "17,456,831" with "18,521,831"

Page 4, line 29, replace "2,598,111" with "2,673,111"

Page 4, line 31, replace "1,118,392" with "1,193,392"

Page 5, line 3, replace "27,479,547" with "27,455,663"

Page 5, line 5, replace "1,223,884" with "1,200,000"

Page 5, line 8, replace "86,698,779" with "85,732,779"

Page 5, line 9, replace "41,261,157" with "41,711,157"

Page 5, line 10, replace "45,437,622" with "44,021,622"

Page 5, line 17, replace "3,524,816" with "3,774,816"

Page 5, line 18, replace "2,884,369" with "3,034,369"

Page 5, line 19, replace "5,482,090" with "5,578,090"

Page 5, line 20, replace "24,374,515" with "24,870,515"

Page 5, line 22, replace "10,658,084" with "11,154,084"

Page 5, line 27, replace "75,894,813" with "76,090,929"

Page 5, line 28, replace "107,808,940" with "108,258,940"

Page 5, line 29, replace "183,703,753" with "184,349,869"

Page 6, after line 16, insert:

**"SECTION 7. 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."

Page 6, after line 21, insert:

**"SECTION 9. INDUSTRIAL HEMP PRODUCTION - STUDY.** The main research center shall study industrial hemp production in North Dakota, including the latest available research and data regarding soils and growing conditions, seed availability, harvest methods, market economies, environmental benefit, law enforcement concerns, and issues of concern to producers from other countries. The agricultural experiment station shall present a report to the legislative council by August 1, 2008.

**SECTION 10. HEMP SEED - PROCUREMENT - AUTHORIZATION.** The main research center may contract with other entities for the procurement of hemp seed and to conduct industrial hemp research.

**SECTION 11. 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 12. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The total appropriation in section 3 of this Act includes \$9,032,750 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                    | \$350,000 |
| 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   |
| Hemp research at the main research center  | 300,000   |
| Operating pool from permanent oil tax trust fund                                   | 750,000   |

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1020 - Summary of House Action**

|                          | EXECUTIVE<br>BUDGET | HOUSE<br>CHANGES | HOUSE<br>VERSION   |
|--------------------------|---------------------|------------------|--------------------|
| Transportation Institute |                     |                  |                    |
| Total all funds          | \$27,479,547        | (\$23,884)       | \$27,455,663       |
| Less estimated income    | <u>26,255,663</u>   |                  | <u>26,255,663</u>  |
| General fund             | \$1,223,884         | (\$23,884)       | \$1,200,000        |
| Branch Research Centers  |                     |                  |                    |
| Total all funds          | \$24,374,515        | \$496,000        | \$24,870,515       |
| Less estimated income    | <u>13,716,431</u>   |                  | <u>13,716,431</u>  |
| General fund             | \$10,658,084        | \$496,000        | \$11,154,084       |
| NDSU Extension Service   |                     |                  |                    |
| Total all funds          | \$41,322,455        | \$1,065,000      | \$42,387,455       |
| Less estimated income    | <u>23,865,624</u>   |                  | <u>23,865,624</u>  |
| General fund             | \$17,456,831        | \$1,065,000      | \$18,521,831       |
| Northern Crops Institute |                     |                  |                    |
| Total all funds          | \$2,598,111         | \$75,000         | \$2,673,111        |
| Less estimated income    | <u>1,479,719</u>    |                  | <u>1,479,719</u>   |
| General fund             | \$1,118,392         | \$75,000         | \$1,193,392        |
| Main Research Station    |                     |                  |                    |
| Total all funds          | \$86,698,779        | (\$966,000)      | \$85,732,779       |
| Less estimated income    | <u>41,261,157</u>   | <u>450,000</u>   | <u>41,711,157</u>  |
| General fund             | \$45,437,622        | (\$1,416,000)    | \$44,021,622       |
| Agronomy Seed Farm       |                     |                  |                    |
| Total all funds          | \$1,230,346         | \$0              | \$1,230,346        |
| Less estimated income    | <u>1,230,346</u>    |                  | <u>1,230,346</u>   |
| General fund             | \$0                 | \$0              | \$0                |
| Bill Total               |                     |                  |                    |
| Total all funds          | \$183,703,753       | \$646,116        | \$184,349,869      |
| Less estimated income    | <u>107,808,940</u>  | <u>450,000</u>   | <u>108,258,940</u> |
| General fund             | \$75,894,813        | \$196,116        | \$76,090,929       |

**House Bill No. 1020 - Transportation Institute - House Action**

|                          | EXECUTIVE<br>BUDGET | HOUSE<br>CHANGES  | HOUSE<br>VERSION    |
|--------------------------|---------------------|-------------------|---------------------|
| Transportation Institute | <u>\$27,479,547</u> | <u>(\$23,884)</u> | <u>\$27,455,663</u> |
| Total all funds          | \$27,479,547        | (\$23,884)        | \$27,455,663        |
| Less estimated income    | <u>26,255,663</u>   |                   | <u>26,255,663</u>   |
| General fund             | \$1,223,884         | (\$23,884)        | \$1,200,000         |
| FTE                      | 43.40               | 0.00              | 43.40               |

**Dept. 627 - Transportation Institute - Detail of House Changes**

|                          | REDUCES<br>FUNDING FOR<br>OPERATIONS <sup>1</sup> | TOTAL<br>HOUSE<br>CHANGES |
|--------------------------|---|---------------------------|
| Transportation Institute | <u>(\$23,884)</u>                                 | <u>(\$23,884)</u>         |
| Total all funds          | (\$23,884)  | (\$23,884)                |
| Less estimated income    |   |                           |
| General fund             | (\$23,884)  | (\$23,884)                |
| FTE                      | 0.00  | 0.00                      |

<sup>1</sup> Reduces funding for operations of the Upper Great Plains Transportation Institute.

**House Bill No. 1020 - Branch Research Centers - House Action**

|                                    | EXECUTIVE BUDGET  | HOUSE CHANGES | HOUSE VERSION     |
|------------------------------------|-------------------|---------------|-------------------|
| Dickinson Research Center          | \$6,077,229       |               | \$6,077,229       |
| Central Grasslands Research Center | 2,267,506         |               | 2,267,506         |
| Hettinger Research Center          | 2,441,212         |               | 2,441,212         |
| Langdon Research Center            | 1,697,293         |               | 1,697,293         |
| North Central Research Center      | 3,524,816         | \$250,000     | 3,774,816         |
| Williston Research Center          | 2,884,369         | 150,000       | 3,034,369         |
| Carrington Research Center         | <u>5,482,090</u>  | <u>96,000</u> | <u>5,578,090</u>  |
| Total all funds                    | \$24,374,515      | \$496,000     | \$24,870,515      |
| Less estimated income              | <u>13,716,431</u> |               | <u>13,716,431</u> |
| General fund                       | \$10,658,084      | \$496,000     | \$11,154,084      |
| FTE                                | 95.26             | 1.60          | 96.86             |

**Dept. 628 - Branch Research Centers - Detail of House Changes**

|                                    | ADDS FUNDING FOR EQUIPMENT STORAGE FACILITY 1 | ADDS FUNDING FOR WASTE MANAGEMENT SYSTEMS POSITION 2 | ADDS FUNDING FOR IRRIGATION RESEARCH POSITION 3 | DECREASES FUNDING FOR LABORATORY AND GREENHOUSE 4 | TOTAL HOUSE CHANGES |
|------------------------------------|---|--|---|---|---------------------|
| Dickinson Research Center          |   |  |   |   |                     |
| Central Grasslands Research Center |   |  |   |   |                     |
| Hettinger Research Center          |   |  |   |   |                     |
| Langdon Research Center            |   |  |   |   |                     |
| North Central Research Center      | \$300,000                                     |  |   | (\$50,000)  | \$250,000           |
| Williston Research Center          |   |  | \$150,000                                       |   | 150,000             |
| Carrington Research Center         |   | <u>\$96,000</u>                                      |   |   | <u>96,000</u>       |
| Total all funds                    | \$300,000                                     | \$96,000   | \$150,000                                       | (\$50,000)  | \$496,000           |
| Less estimated income              |   |  |   |   |                     |
| General fund                       | \$300,000                                     | \$96,000   | \$150,000                                       | (\$50,000)  | \$496,000           |
| FTE                                | 0.00  | 0.60   | 1.00  | 0.00  | 1.60                |

1 Adds \$300,000 from the general fund for an equipment storage and maintenance shop facility at the North Central Research Center.

2 Adds funding from the general fund for a .6 FTE position and related salaries and wages (\$84,000) and operating costs (\$12,000) for the waste management systems program at the Carrington Research Center.

3 Adds funding for 1 FTE irrigation research position at the Williston Research Center.

4 Decreases funding for the North Central Research Center laboratory and greenhouse project from \$400,000 to \$350,000.

**House Bill No. 1020 - NDSU Extension Service - House Action**

|                             | EXECUTIVE BUDGET  | HOUSE CHANGES | HOUSE VERSION     |
|-----------------------------|-------------------|---------------|-------------------|
| Extension Service           | \$40,692,455      | \$1,065,000   | \$41,757,455      |
| Soil Conservation Committee | <u>630,000</u>    |               | <u>630,000</u>    |
| Total all funds             | \$41,322,455      | \$1,065,000   | \$42,387,455      |
| Less estimated income       | <u>23,865,624</u> |               | <u>23,865,624</u> |
| General fund                | \$17,456,831      | \$1,065,000   | \$18,521,831      |
| FTE                         | 257.86            | 2.60          | 260.46            |

**Dept. 630 - NDSU Extension Service - Detail of House Changes**

|                             | ADDS FUNDING FOR A 4-H YOUTH DEVELOPMENT POSITION 1 | ADDS FUNDING FOR THE RURAL LEADERSHIP PROGRAM 2 | ADDS FUNDING FOR PARENTING RESOURCE CENTERS 3 | ADDS FUNDING FOR JUNIOR MASTER GARDENER PROGRAM 4 | ADDS FUNDING FOR WASTE MANAGEMENT SYSTEMS POSITION 5 | ADDS 1 FTE HORTICULTURIST POSITION 6 |
|-----------------------------|---|---|---|---|--|--------------------------------------|
| Extension Service           | \$175,000   | \$200,000                                       | \$300,000                                     | \$20,000  | \$120,000  | \$250,000                            |
| Soil Conservation Committee |   |   |   |   |  |                                      |
| Total all funds             | \$175,000   | \$200,000                                       | \$300,000                                     | \$20,000  | \$120,000  | \$250,000                            |
| Less estimated income       |   |   |   |   |  |                                      |
| General fund                | \$175,000   | \$200,000                                       | \$300,000                                     | \$20,000  | \$120,000  | \$250,000                            |

|     |      |      |      |      |      |      |
|-----|------|------|------|------|------|------|
| FTE | 1.00 | 0.00 | 0.00 | 0.00 | 0.60 | 1.00 |
|-----|------|------|------|------|------|------|

|  |                             |
|--|-----------------------------|
|  | TOTAL<br>HOUSE<br>CHANGES   |
| Extension Service<br>Soil Conservation Committee | <u>\$1,065,000</u>          |
| Total all funds                                  | \$1,065,000                 |
| Less estimated income                            | <u>                    </u> |
| General fund                                     | \$1,065,000                 |
| FTE  | 2.60                        |

- 1 Adds funding for 1 FTE 4-H youth development position at the NDSU Extension Service.
- 2 Adds funding for the rural leadership program.
- 3 Adds funding for the NDSU Extension Service to provide parenting resource centers statewide. The centers provide resources for urban and rural communities relating to such topics as parents working multiple jobs, divorce, and difficulty in rearing children.
- 4 Adds \$20,000 from the general fund to the NDSU Extension Service for the junior master gardener program.
- 5 Adds funding from the general fund for a .6 FTE position and related salaries and wages (\$96,000) and operating costs (\$24,000) for the waste management systems program.
- 6 Adds 1 FTE horticulturist position for western North Dakota.

**House Bill No. 1020 - Northern Crops Institute - House Action**

|                          | EXECUTIVE<br>BUDGET | HOUSE<br>CHANGES            | HOUSE<br>VERSION   |
|--------------------------|---------------------|-----------------------------|--------------------|
| Northern Crops Institute | <u>\$2,598,111</u>  | <u>\$75,000</u>             | <u>\$2,673,111</u> |
| Total all funds          | \$2,598,111         | \$75,000                    | \$2,673,111        |
| Less estimated income    | <u>1,479,719</u>    | <u>                    </u> | <u>1,479,719</u>   |
| General fund             | \$1,118,392         | \$75,000                    | \$1,193,392        |
| FTE                      | 11.20               | 0.00                        | 11.20              |

**Dept. 638 - Northern Crops Institute - Detail of House Changes**

|                          | ADDS<br>FUNDING FOR<br>ONE-TIME<br>EXTRAORDINARY<br>REPAIRS <sup>1</sup> | TOTAL<br>HOUSE<br>CHANGES   |
|--------------------------|--|-----------------------------|
| Northern Crops Institute | <u>\$75,000</u>  | <u>\$75,000</u>             |
| Total all funds          | \$75,000   | \$75,000                    |
| Less estimated income    | <u>                    </u>  | <u>                    </u> |
| General fund             | \$75,000   | \$75,000                    |
| FTE                      | 0.00   | 0.00                        |

<sup>1</sup> Adds \$75,000 from the general fund for extraordinary repairs relating to a one-time renovation project at the Northern Crops Institute.

**House Bill No. 1020 - Main Research Station - House Action**

|                       | EXECUTIVE<br>BUDGET | HOUSE<br>CHANGES   | HOUSE<br>VERSION    |
|-----------------------|---------------------|--------------------|---------------------|
| Main Research Station | <u>\$86,698,779</u> | <u>(\$966,000)</u> | <u>\$85,732,779</u> |
| Total all funds       | \$86,698,779        | (\$966,000)        | \$85,732,779        |
| Less estimated income | <u>41,261,157</u>   | <u>450,000</u>     | <u>41,711,157</u>   |
| General fund          | \$45,437,622        | (\$1,416,000)      | \$44,021,622        |
| FTE                   | 348.08              | 0.80               | 348.88              |

**Dept. 640 - Main Research Station - Detail of House Changes**

|                       | ADDS<br>FUNDING FOR<br>INDUSTRIAL<br>HEMP<br>RESEARCH 1 | ADDS<br>FUNDING FOR<br>WASTE<br>MANAGEMENT<br>SYSTEMS<br>POSITION 2 | ADDS<br>FUNDING FOR<br>OPERATING<br>POOL 3 | CHANGES<br>FUNDING<br>SOURCE 4 | DECREASES<br>FUNDING FOR<br>BRANCH<br>RESEARCH<br>CENTER<br>ADDITIONS 5 | DECREASES<br>FUNDING<br>FOR THE<br>GREENHOUSE<br>PROJECT 6 |
|-----------------------|---|---|--|--------------------------------|---|--|
| Main Research Station | \$300,000   | \$184,000   | \$750,000                                  |                                | (\$200,000)   | (\$2,000,000)  |
| Total all funds       | \$300,000   | \$184,000   | \$750,000                                  |                                | (\$200,000)   | (\$2,000,000)  |
| Less estimated income |   |   | 750,000                                    | (\$300,000)                    |   |  |
| General fund          | \$300,000   | \$184,000   | \$0  | \$300,000                      | (\$200,000)   | (\$2,000,000)  |
| FTE                   | 0.00  | 0.80  | 0.00                                       | 0.00                           | 0.00  | 0.00   |

|                       | TOTAL<br>HOUSE<br>CHANGES |
|-----------------------|---------------------------|
| Main Research Station | (\$966,000)               |
| Total all funds       | (\$966,000)               |
| Less estimated income | 450,000                   |
| General fund          | (\$1,416,000)             |
| FTE                   | 0.80                      |

- 1 Adds funding from the general fund for conducting industrial hemp research at the Main Research Center.
- 2 Adds funding from the general fund for a .8 FTE position and related salaries and wages (\$160,000) and operating costs (\$24,000) for the waste management systems program.
- 3 Adds \$750,000 from the permanent oil tax trust fund to the Main Research Station for an operating pool to be allocated as determined by the director of the Agricultural Experiment Station. In determining the allocation, the director of the Agricultural Experiment Station is to consider decreases in oil revenues at the Dickinson Research Center.
- 4 Changes the funding source from the agricultural research fund to the general fund for research projects as determined by the research granting committees.
- 5 Reduces funding for Carrington, Hettinger, and North Central Research Centers office addition projects from \$1,107,750 to \$907,750.
- 6 Decreases funding for the research greenhouse complex project at the Main Research Center from \$9 million to \$7 million.

**House Bill No. 1020 - Other Changes - House Action**

This amendment provides for a study of industrial hemp and authorizes the Main Research Center to contract with any other university for the procurement of hemp seed necessary to conduct research.

This amendment provides carryover authority for the research greenhouse complex at the Main Research Center funded with bond proceeds (\$2 million) and gifts, grants, and donations (\$5 million) and for the North Central Research Center laboratory and greenhouse project funded with bond proceeds (\$440,000) and gifts, grants, and donations (\$1,250,000). These projects were authorized by the 2005 Legislative Assembly. In addition, references to Phase 1 and Phase 2 of the greenhouse project at the Main Research Center are removed. The Main Research Center may use any funding available within the total appropriation authority for the Main Research Center greenhouse project to begin construction. The total appropriation includes the carryover authority of \$7 million and 2007-09 biennium authority of \$7 million from the general fund.

Amends North Dakota Century Code Section 24-02-03.3 to exempt certain vehicles used in farming operations at the Agronomy Seed Farm and branch research centers from state motor pool requirements.

This amendment includes a section identifying one-time projects and for a report to the Appropriations Committees of the 61st Legislative Assembly regarding the use of this one-time funding.