

78020.0500
Sixtieth
Legislative Assembly
of North Dakota

**FIRST ENGROSSMENT
with Conference Committee Amendments**

ENGROSSED HOUSE BILL NO. 1020

Introduced by

Appropriations Committee

(At the request of the Governor)

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

8 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

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

14 Subdivision 1.

15 NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

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

21 Subdivision 2.

22 NORTHERN CROPS INSTITUTE

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1	Total all funds - Base level	\$1,902,683
2	Less estimated income - Base level	<u>991,922</u>
3	Total general fund - Base level	\$910,761
4	Subdivision 3.	
5	UPPER GREAT PLAINS TRANSPORTATION INSTITUTE	
6	Total all funds - Base level	\$16,452,937
7	Less estimated income - Base level	<u>15,290,033</u>
8	Total general fund - Base level	\$1,162,904
9	Subdivision 4.	
10	MAIN RESEARCH CENTER	
11	Total all funds - Base level	\$75,456,713
12	Less estimated income - Base level	<u>44,662,646</u>
13	Total general fund - Base level	\$30,794,067
14	Subdivision 5.	
15	RESEARCH CENTERS	
16	Dickinson research center	\$5,563,870
17	Central grasslands research center	2,335,297
18	Hettinger research center	1,809,657
19	Langdon research center	1,336,094
20	North central research center	3,930,540
21	Williston research center	2,271,878
22	Carrington research center	<u>4,258,340</u>
23	Total all funds - Base level	\$21,505,676
24	Less estimated income - Base level	<u>13,119,367</u>
25	Total general fund - Base level	\$8,386,309
26	Subdivision 6.	
27	AGRONOMY SEED FARM	
28	Agronomy seed farm	<u>\$1,201,008</u>
29	Total special funds - Base level	\$1,201,008
30	Total general fund - Section 1	\$56,612,187

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1	Total special funds - Section 1	\$98,286,567
2	Total all funds - Section 1	\$154,898,754

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

9 Subdivision 1.

10 NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

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

16 Subdivision 2.

17 NORTHERN CROPS INSTITUTE

18	Total all funds - Adjustments/enhancements	\$720,428
19	Less estimated income - Adjustments/enhancements	<u>487,797</u>
20	Total general fund - Adjustments/enhancements	\$232,631

21 Subdivision 3.

22 UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

23	Total all funds - Adjustments/enhancements	\$11,119,654
24	Less estimated income - Adjustments/enhancements	<u>11,072,603</u>
25	Total general fund - Adjustments/enhancements	\$47,051

26 Subdivision 4.

27 MAIN RESEARCH CENTER

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

31 Subdivision 5.

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

12 Subdivision 6.

13		AGRONOMY SEED FARM	
14	Agronomy seed farm - Adjustments/enhancements		<u>\$29,338</u>
15	Total special funds - Adjustments/enhancements		\$29,338
16	Total general fund - Section 2		\$19,689,626
17	Total special funds - Section 2		\$11,470,886
18	Total all funds - Section 2		\$31,160,512

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

26 Subdivision 1.

27		NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE	
28	Extension service		\$41,532,455
29	Soil conservation committee		<u>737,800</u>
30	Total all funds		\$42,270,255

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

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

14 **SECTION 5. TRANSFER AUTHORITY.** Upon approval of the state board of
15 agricultural research and education and appropriate branch research center directors, the
16 director of the main research center may transfer appropriation authority within subdivisions 1,
17 2, 4, and 5 of section 3 of this Act and shall notify the office of management and budget within
18 ten days following the transfer.

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

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

26 **4-41-02. Industrial hemp - Licensure - Reporting requirements - Continuing**
27 **appropriation.**

28 1. Any person desiring to grow industrial hemp for commercial purposes shall apply
29 to the agriculture commissioner for a license on a form prescribed by the
30 commissioner. The application for a license must include the name and address of
31 the applicant and the legal description of the land area to be used to produce

1 industrial hemp. Except for employees of the agricultural experiment station or the
2 North Dakota state university extension service involved in research and extension
3 related activities, the commissioner shall require each applicant for initial licensure
4 to submit to a statewide and nationwide criminal history check. The nationwide
5 criminal history check must be conducted in the manner provided in section
6 12-60-24. All costs associated with the background check are the responsibility of
7 the applicant. Criminal history records provided to the commissioner under this
8 section are confidential. The commissioner may use the records only in
9 determining an applicant's eligibility for licensure. Any person with a prior criminal
10 conviction is not eligible for licensure. If the applicant has completed the
11 application process to the satisfaction of the commissioner, the commissioner shall
12 issue the license, which is valid for a period of one year. Any person licensed
13 under this section is presumed to be growing industrial hemp for commercial
14 purposes. A license required by this section is not conditioned on or subject to
15 review or approval by the United States drug enforcement agency.

16 2. Each licensee must file with the commissioner documentation indicating that the
17 seeds planted were of a type and variety certified to have no more than
18 three-tenths of one percent tetrahydrocannabinol and a copy of any contract to
19 grow industrial hemp. Each licensee shall notify the commissioner of the sale or
20 distribution of any industrial hemp grown by the licensee, and the names of the
21 persons to whom the hemp was sold or distributed.

22 3. The commissioner shall adopt rules to allow the industrial hemp to be tested during
23 growth for tetrahydrocannabinol levels and to allow for supervision of the industrial
24 hemp during its growth and harvest. To provide sufficient funds to pay costs
25 associated with monitoring and testing industrial hemp in the state, the
26 commissioner shall assess each applicant a fee of five dollars per acre. The
27 minimum fee assessed must be one hundred fifty dollars per applicant.
28 Collections from this fee must be deposited in the attorney general's operating fund
29 and are hereby appropriated to the attorney general to be used to enforce this
30 chapter.

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

3 **24-02-03.3. Central management system for all state-owned licensed motor**
4 **vehicles.**

- 5 1. The director shall establish within the department a central vehicle management
6 system to regulate the operation, maintenance, and management of all motor
7 vehicles owned or leased by the state subject to registration under chapters 39-04
8 and 39-05. Upon the request of a state agency and an agreement between the
9 agency and director for the use of the motor vehicle-related equipment, the director
10 may purchase or lease motor vehicle-related equipment and include that
11 equipment within the system. The director shall provide a uniform method of
12 documenting the use and cost of operation of motor vehicles and motor
13 vehicle-related equipment in the system. The director shall advise the director of
14 the office of management and budget as to the need to acquire or dispose of
15 system motor vehicles. The specifications for highway patrol vehicles to be
16 acquired may be set by the highway patrol superintendent. Every state agency,
17 institution, department, board, bureau, and commission unless exempted by the
18 director must use the system. At the request of the director of the North Dakota
19 agricultural experiment station, certain vehicles used in farming operations at the
20 agronomy seed farm and branch research centers shall be exempt from the
21 requirements of this section. However, an agency, institution, department, board,
22 bureau, or commission may authorize the use of an employee's personal motor
23 vehicle pursuant to subsection 4 of section 54-06-09.
- 24 2. The director may enter into an agreement with a state employee who has a
25 disability requiring a specially-equipped vehicle to pay a mileage rate greater than
26 the rate established in section 54-06-09 for the employee's use of the employee's
27 specially-equipped motor vehicle while conducting state business. The rate must
28 be based on the rate provided in section 54-06-09, increased by the actual cost
29 per mile caused by the special equipment, and may not exceed the cost
30 associated with the special equipment expressed as the new value plus the

1 depreciated fair market value in eight years divided by two, divided by twenty
2 thousand miles.

3 3. Each entity required to use the system shall submit records of the operation of
4 each vehicle as directed by the director.

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

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

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

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

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

29 **SECTION 14. EXEMPTION.** The amounts appropriated for the research greenhouse
30 complex project, as contained in subdivision 4 of section 3 of chapter 48 of the 2005 Session
31 Laws and for the north central research center laboratory and greenhouse project, as contained

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

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

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

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