

Introduced by

Senators Krebsbach, Grindberg, Hogue, O'Connell

Representatives Belter, Kempenich

1 A BILL for an Act to create and enact chapter 4.1-07.1 of the North Dakota Century Code,  
2 relating to a grape and wine assessment; to amend and reenact sections 4-24-09 and 4-24-10  
3 of the North Dakota Century Code, relating to agricultural commodity assessment funds and  
4 reports; to provide a penalty; to provide an appropriation; to provide a continuing appropriation;  
5 and to provide a contingent effective date.

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

7 **SECTION 1. AMENDMENT.** Section 4-24-09 of the North Dakota Century Code is amended  
8 and reenacted as follows:

9 **4-24-09. Agricultural commodity assessments funds - Investment income allocation.**

10 The state treasurer, notwithstanding any other provision of law to the contrary, shall invest  
11 in accordance with section 21-10-07 all available moneys in the ~~spud~~potato fund, oilseed fund,  
12 dry bean fund, dry pea and lentil fund, barley fund, soybean fund, corn fund, honey fund, turkey  
13 fund, milk stabilization fund, dairy promotion commission fund, state wheat commission fund,  
14 ethanol fund, ~~and the beef commission fund, and grape and wine fund.~~ The investment of  
15 moneys must be made in cooperation with the governing body of the respective agricultural  
16 commodity entity. The state treasurer shall establish, in cooperation with the agricultural  
17 commodity organizations, guidelines to be followed regarding the investment of moneys in each  
18 fund. The state treasurer shall credit twenty percent of the investment income derived from each  
19 fund to the general fund in the state treasury as payment for accounting, printing, data  
20 processing, legal, and other services when provided without cost by the state to the agricultural  
21 commodity entity. The state treasurer shall credit eighty percent of the investment income  
22 derived from each fund to the respective fund.

23 **SECTION 2. AMENDMENT.** Section 4-24-10 of the North Dakota Century Code is amended  
24 and reenacted as follows:

1           **4-24-10. Agricultural commodity promotion groups to report to legislative assembly -**  
2 **Report contents.**

3           Between the first and tenth legislative day of each regular legislative session, the North  
4 Dakota ethanol council, the North Dakota potato council, the North Dakota oilseed council, the  
5 North Dakota dry bean council, the North Dakota dry pea and lentil council, the North Dakota  
6 barley council, the North Dakota soybean council, the North Dakota corn utilization council, the  
7 North Dakota beekeepers association, the North Dakota turkey federation, the North Dakota  
8 milk marketing board, the North Dakota dairy promotion commission, the North Dakota state  
9 wheat commission, ~~and~~ the North Dakota beef commission, and the North Dakota grape and  
10 wine association must file a uniform report at a public hearing before the standing agriculture  
11 committee of each house of the legislative assembly. The presiding officer of each house of the  
12 legislative assembly may direct that the reports be filed with some other standing committee of  
13 that house. Each report must contain a summary of the activities of the commodity group during  
14 the current biennium, a single-page uniform statement of revenues and expenditures for the  
15 next biennium. Each report, except the reports of the North Dakota beekeepers association and  
16 the North Dakota turkey federation, must also include a state auditor's report on the commodity  
17 group's single-page uniform statement of revenues and expenditures for the previous two fiscal  
18 years.

19           **SECTION 3.** Chapter 4.1-07.1 of the North Dakota Century Code is created and enacted as  
20 follows:

21           **4.1-07.1-01. Assessment.**

22           An assessment in the amount of one cent must be imposed on each pound of grapes sold  
23 or otherwise provided by a producer to a bonded winery in this state.

24           **4.1-07.1-02. Submission of assessment - Civil penalty.**

- 25           1. The owner of the bonded winery shall collect the assessment from the producer and  
26 forward all assessments to the agriculture commissioner at the time and in the manner  
27 established by the commissioner after consultation with the North Dakota grape and  
28 wine association.
- 29           2. If the owner of a bonded winery fails to submit the assessments as required by this  
30 section, the commissioner may impose a penalty equal to five percent of the amount  
31 due, plus interest at the rate of six percent per annum from the due date.

1        **4.1-07.1-03. Grape and wine fund - Continuing appropriation.**

2        The agriculture commissioner shall forward all moneys received under this chapter to the  
3 state treasurer for deposit in a special fund known as the grape and wine fund. All moneys in  
4 the grape and wine fund are appropriated on a continuing basis to the commissioner to carry  
5 out this chapter.

6        **4.1-07.1-04. Authorized expenditures.**

7        The assessment required by this chapter may be used to fund research, education  
8 programs, and market development efforts, as well as participation in and support of programs  
9 or efforts to promote the grape and wine industry in this state.

10       **4.1-07.1-05. Powers of the commissioner.**

11       The commissioner may:

- 12       1. Accept gifts, grants, and donations of money, property, and services for the purposes  
13       set forth in section 4.1-07.1-04;  
14       2. Expend moneys received under this chapter for the purposes set forth in section  
15       4.1-07.1-04, provided the commissioner first consults with the grape and wine advisory  
16       committee; and  
17       3. Do all things necessary and proper to enforce and administer this chapter.

18       **4.1-07.1-06. Penalty.**

19       Any person willfully violating this chapter is guilty of a class B misdemeanor.

20       **4.1-07.1-07. Grape and wine advisory committee.**

21       The agriculture commissioner shall appoint a grape and wine advisory committee. The  
22 committee must include:

- 23       1. Two individuals who are grape producers;  
24       2. Two individuals who own wineries located in this state; and  
25       3. One representative of the North Dakota grape and wine association.

26       **SECTION 4. APPROPRIATION.** There is appropriated out of any moneys in the general  
27 fund in the state treasury, not otherwise appropriated, the sum of \$350,000, or so much of the  
28 sum as may be necessary, to the agriculture commissioner for the purpose of funding research,  
29 education programs, and market development efforts, pertaining to the grape and wine industry  
30 in this state, as well as participation in and support of programs and efforts to promote the grape

1 and wine industry in this state, for the biennium beginning July 1, 2013, and ending June 30,  
2 2015.

3 **SECTION 5. CONTINGENT EFFECTIVE DATE.** Sections 1 through 3 of this Act become  
4 effective on the date the state treasurer certifies to the agriculture commissioner that the  
5 balance in the grape and wine fund is at least equal to \$350,000. The state treasurer shall notify  
6 the legislative council of the date of the certification and refer to chapter 4.1-07.1 in the notice.