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Sixty-eighth
Legislative Assembly
of North Dakota

Introduced by

Representative Beltz

FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1501

A BILL ~~for an Act to create and enact a new section to chapter 54-10 of the North Dakota Century Code, relating to state audits of commodity groups; and to amend and reenact subsection 2 of section 4.1-44-04 of the North Dakota Century Code, relating to the presentation of state audit reports.~~for an Act to amend and reenact subsection 1 of section 4.1-11-01, sections 4.1-11-08, 4.1-11-10, 4.1-11-11, 4.1-11-12, 4.1-11-13, 4.1-11-14, and 4.1-11-15, and subsection 1 of section 4.1-44-03 of the North Dakota Century Code, relating to the North Dakota soybean council and the North Dakota soybean fund; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

~~**SECTION 1. AMENDMENT.** Subsection 2 of section 4.1-44-04 of the North Dakota Century Code is amended and reenacted as follows:~~

~~2. The presiding officer of each house of the legislative assembly may direct the reports be filed with some other standing committee of that house. Each report must contain a summary of the activities of the commodity group during the current biennium, and a single-page uniform statement of revenues and expenditures for the next biennium. Each report, except the reports of the North Dakota beekeepers association and the North Dakota turkey federation, also must include a statean auditor's report on the commodity group's single-page uniform statement of revenues and expenditures for the previous two fiscal years or an annual federal financial statement audit required due to a federally mandated checkoff associated with the group's national association.~~

~~**SECTION 2.** A new section to chapter 54-10 of the North Dakota Century Code is created and enacted as follows:~~

~~**Commodity groups - Certain groups exempt.**~~

~~A commodity group required to present a state auditor's report under section 4.1-44-04 is exempt from this chapter if the commodity group is subject to a federal audit due to a federally mandated checkoff associated with the group's national association.~~

SECTION 1. AMENDMENT. Subsection 1 of section 4.1-11-01 of the North Dakota Century Code is amended and reenacted as follows:

1. "Council" means the nongovernmental entity, known as the North Dakota soybean council.

SECTION 2. AMENDMENT. Section 4.1-11-08 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-08. Council members - Compensation.

Each member of the council is entitled to receive compensation in the amount established by the council ~~but not exceeding one hundred thirty-five dollars per day~~ plus reimbursement for expenses ~~as provided by law for state officers~~ if the member is attending meetings or performing duties directed by the council.

SECTION 3. AMENDMENT. Section 4.1-11-10 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-10. Council duties and reports.

1. The council shall develop policies and initiate programs to promote the development of markets for and increase the utilization of soybeans grown in this state.
2. The council shall develop and disseminate information regarding the purpose of the soybean assessment and ways in which the assessment benefits soybean producers.
3. The council shall determine the uses for which any moneys raised under this chapter may be expended. The uses may include the funding of research, education programs, and market development efforts, as well as participation in programs under the auspices of national soybean promotion organizations.
4. Annually, the council shall prepare and submit a report summarizing the activities of the council to the state auditor and commissioner. The report must show all income, expenses, and other relevant information concerning fees collected and expended.
5. The council shall request and submit a certificate of good standing, issued by the secretary of state, as part of the report described in subsection 4.

SECTION 4. AMENDMENT. Section 4.1-11-11 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-11. Assessment.

~~An~~If a federal assessment under the Soybean Promotion, Research, and Consumer Information Act [Pub. L. 101-624; 104 Stat, 3881; 7 U.S.C. 92 et seq.] or a similar act remains in place, a state assessment under this section is prohibited. If the Soybean Promotion, Research, and Consumer Information Act [Pub. L. 101-624; 104 Stat, 3881; 7 U.S.C. 92 et seq.] or similar act eliminates a federal assessment, the council shall implement a state assessment equaling one-half of one percent of the value of the sale must be imposed upon all soybeans sold to a designated handler.

SECTION 5. AMENDMENT. Section 4.1-11-12 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-12. Collection of assessment by designated handler - Records.

~~1.~~ If an assessment is in place under section 4.1-11-11:

1. Each designated handler shall collect the assessment from the seller by deducting the assessment from the purchase price of all soybeans subject to the assessment~~.~~;
2. Each designated handler shall keep all records regarding the quantity of soybeans received and assessed for a period of three years~~.~~; and
3. All records required by this section may be examined by the council upon request.

SECTION 6. AMENDMENT. Section 4.1-11-13 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-13. Quarterly report - Submission to council.

At the time and in the manner prescribed by the council, each designated handler shall file with the council a quarterly report stating the quantity of all soybeans ~~that~~ the handler purchased and assessed under section 4.1-11-11.

SECTION 7. AMENDMENT. Section 4.1-11-14 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-14. Submission of assessments - ~~Civil penalty~~Delinquent assessment.

Each designated handler shall forward to the council all assessments collected by the handler under section 4.1-11-11 within thirty days after the end of each calendar quarter. If a designated handler fails to submit the assessments as required by this section, the council shall

increase the amount owed by two percent each month, beginning with the day following that on which the assessments came due.

SECTION 8. AMENDMENT. Section 4.1-11-15 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-15. Continuing appropriation - Use of council funds.

~~The council shall forward all~~All moneys received under this chapter ~~to the state treasurer for deposit~~must be deposited in the soybean ~~fund~~checkoff account at the Bank of North Dakota. All moneys in the soybean ~~fund~~checkoff account are appropriated on a continuing basis to the council ~~to~~and may be used ~~exclusively to carry out~~by the council for the payment of claims by the council based on the obligations incurred in the performance of council activities, functions, and purposes as provided in this chapter. The board shall segregate moneys in the soybean checkoff account from all other moneys of the council.

SECTION 9. AMENDMENT. Subsection 1 of section 4.1-44-03 of the North Dakota Century Code is amended and reenacted as follows:

1. Notwithstanding any other provision of law, the state treasurer shall invest in accordance with section 21-10-07 all available moneys in:
   a. The potato fund;
   b. The oilseed fund;
   c. The dry bean fund;
   d. The dry pea and lentil fund;
   e. The barley fund;
   f. ~~The soybean fund;~~
   ~~g.~~ The corn fund;
   ~~h.~~g. The honey fund;
   ~~i.~~h. The turkey fund;
   ~~j.~~i. The milk marketing fund;
   ~~k.~~j. The dairy promotion commission fund;
   ~~l.~~k. The state wheat commission fund;
   ~~m.~~l. The ethanol fund; and
   ~~n.~~m. The North Dakota beef commission fund.

SECTION 10. EFFECTIVE DATE. This Act becomes effective on July 1, 2024.