

April 14, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

ENGROSSED HOUSE BILL NO. 1009

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture
2 commissioner; to amend and reenact section 4.1-01-02 of the North Dakota Century Code,
3 relating to the salary of the agriculture commissioner; to provide for a transfer; to provide for a
4 report; and to provide an exemption.

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

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the agriculture commissioner for the purpose of defraying the expenses of the
10 agriculture commissioner, for the biennium beginning July 1, 2025, and ending June 30, 2027,
11 as follows:

	Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
14 Salaries and wages	\$17,042,562	\$933,974	\$17,976,536
15 New and vacant FTE pool	0	587,646	587,646
16 Operating expenses	7,426,173	796,687	8,222,860
17 <u>Salaries and wages</u>	<u>\$17,042,562</u>	<u>\$933,974</u>	<u>\$17,976,536</u>
18 <u>New and vacant FTE pool</u>	<u>0</u>	<u>754,477</u>	<u>754,477</u>
19 <u>Operating expenses</u>	<u>7,426,173</u>	<u>588,083</u>	<u>8,014,256</u>
20 Capital assets	7,000	4,100	11,100

Sixty-ninth
Legislative Assembly

1	Grants	10,953,969	5,261,300	16,215,269
2	<u>Grants</u>	<u>10,953,969</u>	<u>7,841,300</u>	<u>18,795,269</u>
3	Agricultural products utilization	2,110,417	3,000,000	5,110,417
4	commission			
5	North Dakota trade office	1,600,000	400,000	2,000,000
6	Board of animal health	865,718	(8,357)	857,361
7	Wildlife services	1,657,400	0	1,657,400
8	<u>Wildlife services</u>	<u>1,657,400</u>	<u>150,000</u>	<u>1,807,400</u>
9	Pipeline restoration and reclamation	200,000	(200,000)	0
10	oversight program			
11	Pipeline and royalty oversight programs	0	500,000	500,000
12	Crop harmonization board	<u>75,000</u>	<u>0</u>	<u>75,000</u>
13	Total all funds	\$41,938,239	\$11,275,350	\$53,213,589
14	Less other funds	27,117,306	9,400,921	36,518,227
15	Total general fund	\$14,820,933	\$1,874,429	\$16,695,362
16	Full-time equivalent positions	80.00	0.00	80.00
17	<u>Total all funds</u>	<u>\$41,938,239</u>	<u>\$13,963,577</u>	<u>\$55,901,816</u>
18	<u>Less other funds</u>	<u>27,117,306</u>	<u>12,155,034</u>	<u>39,272,340</u>
19	<u>Total general fund</u>	<u>\$14,820,933</u>	<u>\$1,808,543</u>	<u>\$16,629,476</u>
20	<u>Full-time equivalent positions</u>	<u>80.00</u>	<u>1.00</u>	<u>81.00</u>

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
27	Agricultural products utilization commission	\$0	\$3,000,000
28	Grasslands grazing grants	0	3,000,000
29	North Dakota trade office	400,000	0
30	Total	\$400,000	\$6,000,000
31	<u>Grasslands grazing grants</u>	<u>\$0</u>	<u>\$3,000,000</u>

1	<u>Food distribution grants</u>	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
2	<u>Autonomous technology grants</u>	<u>0</u>	<u>500,000</u>	<u>500,000</u>
3	<u>Total</u>	<u>\$0</u>	<u>\$5,500,000</u>	<u>\$5,500,000</u>

4 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
5 agriculture commissioner may not spend funds appropriated in the new and vacant FTE pool
6 line item in section 1 of this Act, but may request the office of management and budget to
7 transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in
8 accordance with the guidelines and reporting provisions included in House Bill No. 1015, as
9 approved by the sixty-ninth legislative assembly.

10 **SECTION 4. OTHER FUNDS - TRANSFER - DEPARTMENT OF WATER RESOURCES.**

11 The other funds line item in section 1 of this Act includes the sum of \$125,000 which the
12 department of water resources shall transfer to the agriculture commissioner for the purpose of
13 defraying the expenses of the wildlife services program.

14 **SECTION 5. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND -**
15 **MINOR USE PESTICIDE FUND.** The agriculture commissioner shall transfer \$325,000 from the
16 environment and rangeland protection fund to the minor use pesticide fund during the biennium
17 beginning July 1, 2025, and ending June 30, 2027.

18 **SECTION 6. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND TO**
19 **ENVIRONMENTAL IMPACT MITIGATION FUND - MITIGATION OF AGRICULTURAL LAND.**
20 The agriculture commissioner shall transfer \$250,000 from the environment and rangeland
21 protection fund to the environmental impact mitigation fund for the purpose of mitigation of
22 agricultural land under section 4.1-01-21.1, for the biennium beginning July 1, 2025, and ending
23 June 30, 2027.

24 **SECTION 7. TRANSFER - BIOSCIENCE INNOVATION GRANT FUND TO GENERAL**
25 **FUND.** The office of management and budget shall transfer any balance in the bioscience
26 innovation grant fund to the general fund on June 30, 2025.

27 **SECTION 8. OTHER FUNDS - TRANSFER - BANK OF NORTH DAKOTA PROFITS -**
28 **AGRICULTURAL PRODUCTS UTILIZATION COMMISSION.** The other funds line item in
29 section 1 of this Act includes the sum of \$3,000,000 which the Bank of North Dakota shall
30 transfer from the Bank's current earnings and undivided profits to the agriculture commissioner
31 for deposit in the agricultural products utilization fund for the purpose of defraying the expenses

of the agricultural products utilization commission, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 9. OTHER FUNDS - ENVIRONMENT AND RANGELAND PROTECTION FUND.

The other funds line item in section 1 of this Act includes the sum of ~~\$7,803,814~~\$8,057,927 from the environment and rangeland protection fund for the purpose of defraying the expenses of various agriculture commissioner programs.

SECTION 10. OTHER FUNDS - GAME AND FISH FUND. The other funds line item in section 1 of this Act includes the sum of \$671,918 from the game and fish department operating fund for the purpose of defraying the expenses of various agriculture commissioner programs.

SECTION 11. OTHER FUNDS - ABANDONED OIL AND GAS WELL PLUGGING AND SITE RECLAMATION FUND. The other funds line item in section 1 of this Act includes the sum of \$500,000 from the abandoned oil and gas well plugging and site reclamation fund, of which \$200,000 is for the purpose of defraying the expenses of the pipeline restoration and reclamation program and \$300,000 is for the purpose of defraying the expenses of the post-production royalty oversight program.

SECTION 12. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS
FUND - ~~GRASSLANDS GRAZING GRANT PROGRAM - ONE-TIME FUNDING - MATCHING~~
FUNDS - REPORT TO LEGISLATIVE MANAGEMENT. The other funds line item in section 1 of this Act includes the sum of ~~\$3,000,000~~\$5,500,000 from the strategic investment and improvements fund, of which:

1. \$3,000,000 is for the purpose of providing grassland grazing grants to an organization representing cooperative grazing associations in the state. To be eligible for a grant under this program, an organization must provide one dollar of matching funds from nonstate sources for every four dollars of grant funding. An organization that receives a grant under this program may distribute the funding to cooperative grazing associations for eligible infrastructure projects, which must be located on national grasslands within the state. Eligible infrastructure projects include water development; fencing; conservation initiatives; compliance with federal permitting requirements, including fees for professional services; and other projects to enhance wildlife habitat, capture carbon, or increase the health of grasslands. Program participants shall develop and implement a grazing land plan in compliance with local soil conservation

1 district guidance and the plan must be approved by the local soil conservation district.

2 The agriculture commissioner shall establish additional guidelines for the program:

3 2. \$2,000,000 is for grants to food pantries for meat and protein related purchases; and

4 3. \$500,000 is for autonomous technology grants to individuals or entities in the
5 agriculture industry, as follows:

6 a. For purposes of this subsection, autonomous technology includes uncrewed
7 aircraft systems; autonomous vehicles; or other autonomous systems,
8 processes, or technologies.

9 b. The agriculture commissioner shall develop an application process and
10 guidelines for the grants, including eligibility criteria, matching requirements,
11 eligible uses of grant funding, and maximum grant awards. To be eligible for a
12 grant, an individual or entity shall certify to the agriculture commissioner that the
13 operation of the autonomous technology is related to the inspection, operation,
14 maintenance, or construction of agriculture property or infrastructure. The
15 agriculture commissioner may require an individual or entity to provide one dollar
16 of matching funds for every four dollars awarded by the state. An individual or
17 entity may use grant funding for autonomous technology operations, contracting
18 for services related to autonomous technology, or other eligible uses as
19 determined by the agriculture commissioner.

20 c. During the 2025-26 interim, the agriculture commissioner shall provide at least
21 one report to the legislative management regarding the grants, including a list of
22 grant recipients, the amounts awarded, and a description of the use of the grant
23 funding.

24 **SECTION 13. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The North Dakota
25 trade office line item and the general fund appropriation in section 1 of this Act ~~include~~includes
26 \$2,000,000 of funding related to the North Dakota trade office. The agriculture commissioner
27 may spend sixty percent of this amount without requiring any matching funds from the trade
28 office. Any additional amounts may be spent only to the extent the North Dakota trade office
29 provides one dollar of matching funds from private or other public sources for each one dollar
30 provided by the agriculture commissioner. Matching funds may include money spent by
31 businesses or organizations to pay salaries to export assistants, provide training to export

1 assistants, or purchase computer equipment as part of the North Dakota trade office's export
2 assistant program.

3 **SECTION 14. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages
4 line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds
5 for the North Dakota outdoor heritage fund grant provided for the waterbank program.

6 **SECTION 15. AMENDMENT.** Section 4.1-01-02 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **4.1-01-02. Salary of agriculture commissioner.**

9 The annual salary of the agriculture commissioner is ~~one hundred thirty-one thousand four~~
10 ~~hundred twenty-three dollars through June 30, 2024, and one hundred thirty-six thousand~~
11 ~~six hundred eightyone hundred forty thousand seven hundred eighty dollars through June 30,~~
12 ~~2026, and one hundred forty-five thousand three dollars after that date.~~

13 **SECTION 16. WILDLIFE SERVICES PROGRAM - INDIRECT COSTS.** The wildlife
14 services line item in section 1 of this Act includes the sum of \$1,807,400 for the purpose of
15 defraying the expenses of the wildlife services program during the biennium beginning July 1,
16 2025, and ending June 30, 2027. The agriculture commissioner may not use funding
17 appropriated for the program to pay indirect costs as part of the United States department of
18 agriculture animal and plant health inspection service wildlife services program.

19 **SECTION 17. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
20 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
21 the biennium beginning July 1, 2025, and ending June 30, 2027:

- 22 1. The sum of \$300,000 appropriated from federal funds derived from COVID-19 funds
23 for the specialty crop block grant program during the 2019-21 biennium in section 1 of
24 chapter 27 of the 2021 Session Laws, and continued into the 2021-23 biennium in
25 section 2 of chapter 27 of the 2021 Session Laws and the 2023-25 biennium in
26 section 20 of chapter 41 of the 2023 Session Laws; ~~and~~

- 27 2. The sum of \$5,000,000 appropriated from the strategic investment and improvements
28 fund for grasslands grazing grants in the grants line item in section 1 of chapter 9 of
29 the 2021 Session Laws, and continued into the 2023-25 biennium in section 21 of
30 chapter 41 of the 2023 Session Laws;

Sixty-ninth
Legislative Assembly

- 1 ~~2.3.~~ The sum of \$660,000 appropriated from the environment and rangeland protection
- 2 fund for the regional livestock development and planning program in section 2 of
- 3 chapter 76 of the 2023 Session Laws; and
- 4 4. The sum of \$1,000,000 appropriated from the strategic investment and improvements
- 5 fund for grasslands grazing grants in the grants line item in section 1 of chapter 41 of
- 6 the 2023 Session Laws.

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1009 - Department of Agriculture - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$17,042,562	\$17,976,536		\$17,976,536
New and vacant FTE pool		587,646	\$166,831	754,477
Operating expenses	7,426,173	8,222,860	(208,604)	8,014,256
Capital assets	7,000	11,100		11,100
Grants	10,953,969	16,215,269	2,580,000	18,795,269
State Board of Animal Health	865,718	857,361		857,361
Wildlife Services	1,657,400	1,657,400	150,000	1,807,400
Crop Harmonization Board	75,000	75,000		75,000
Pipeline restoration and reclamation	200,000			
Ag. Products Utilization Commission	2,110,417	5,110,417		5,110,417
North Dakota Trade Office	1,600,000	2,000,000		2,000,000
Pipeline and royalty oversight programs		500,000		500,000
Total all funds	\$41,938,239	\$53,213,589	\$2,688,227	\$55,901,816
Less estimated income	27,117,306	36,518,227	2,754,113	39,272,340
General fund	\$14,820,933	\$16,695,362	(\$65,886)	\$16,629,476
FTE	80.00	80.00	1.00	81.00

Department 602 - Department of Agriculture - Detail of Senate Changes

	Adds Funding for an FTE Plant Protection Position ¹	Removes Funding for State Fleet Rate Increases ²	Adds Funding for the Grape and Wine Grant Program ³	Adds Funding for the Wildlife Services Program ⁴	Adjusts Funding from One-Time to Ongoing ⁵	Adds One- Time Funding ⁶
Salaries and wages						
New and vacant FTE pool	\$166,831					
Operating expenses	41,396	(\$250,000)				
Capital assets						
Grants			\$80,000			\$2,500,000
State Board of Animal Health						
Wildlife Services				\$150,000		
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission						
North Dakota Trade Office						
Pipeline and royalty oversight programs						
Total all funds	\$208,227	(\$250,000)	\$80,000	\$150,000	\$0	\$2,500,000
Less estimated income	104,113	0	0	150,000	0	2,500,000
General fund	\$104,114	(\$250,000)	\$80,000	\$0	\$0	\$0
FTE	1.00	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	
New and vacant FTE pool	\$166,831
Operating expenses	(208,604)
Capital assets	
Grants	2,580,000
State Board of Animal Health	
Wildlife Services	150,000
Crop Harmonization Board	
Pipeline restoration and reclamation	
Ag. Products Utilization Commission	
North Dakota Trade Office	
Pipeline and royalty oversight programs	
Total all funds	\$2,688,227
Less estimated income	2,754,113
General fund	(\$65,886)
FTE	1.00

¹ Funding of \$113,382 from the general fund and \$113,382 from the environment and rangeland protection fund is added for an FTE plant protection position, including \$41,396 for operating expenses. Funding for salaries and wages is decreased by \$185,368 and funding of \$166,831 is added to the new and vacant FTE pool for the position resulting in net savings of \$18,537.

² Removes \$250,000 added by the House for state fleet rate increases to provide a total of \$500,000 from the general fund. The House provided \$750,000 from the general fund for state fleet rate increases.

³ Funding of \$80,000 from the general fund is added to restore funding removed by the House for the grape and wine grant program.

⁴ Funding of \$150,000 from the environment and rangeland protection fund is added for aerial contract services for the Wildlife Services program to provide a total of \$1,807,400 for the Wildlife Services program.

⁵ Funding of \$3 million from Bank of North Dakota profits for the APUC program and \$400,000 from the general fund for the North Dakota Trade Office are adjusted from one-time funding to ongoing funding.

⁶ One-time funding is added as follows:

- \$2 million from the strategic investment and improvements fund (SIIF) for grants to food pantries for meat and protein.
- \$500,000 from SIIF for autonomous technology grants.

House Bill No. 1009 - Other Changes - Senate Action

This amendment also:

- Adds a section providing for a \$250,000 transfer from the environment and rangeland protection fund to the environmental impact mitigation fund for the environmental impact mitigation program. The Agriculture Commissioner has continuing appropriation authority for the environmental impact mitigation fund.
- Adds a section to transfer any balance in the bioscience innovation grant fund to the general fund on June 30, 2025.
- Amends a section identifying funding in Section 1 from the environment and rangeland protection fund.
- Amends a section identifying \$5,500,000 appropriated in Section 1 from SIIF. The House appropriated \$3,000,000 from SIIF.
- Adds a section to provide the funding appropriated in the wildlife services line item may not be used to pay indirect costs as part of the United States Department of Agriculture Animal and Plant Health Inspection Service Wildlife Services program.
- Amends a section to provide exemptions to authorize the Agriculture Commissioner to continue funding for grasslands grazing grants of \$5 million appropriated from SIIF for the 2021-23 and \$1 million appropriated from SIIF for the 2023-25 biennium into the 2025-27 biennium.