

15.8128.03000

Sixty-fourth  
Legislative Assembly  
of North Dakota

**FIRST ENGROSSMENT  
with Senate 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 4-05.1-05, 4-08-10, 57-39.5-02, and 57-43.1-03.1 of the North Dakota Century Code, relating to  
5 North Dakota state university main research center full-time equivalent positions, North Dakota  
6 state university extension service full-time equivalent positions, the transfer of revenue from the  
7 farm machinery gross receipts tax, and fuel tax refunds; to authorize the Langdon research  
8 extension center to purchase certain land in Cavalier County; to provide for a report; to provide  
9 for transfers; to provide for a legislative management study; to provide for exemptions; to  
10 provide an effective date; and to declare an emergency.

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

12 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
13 as may be necessary, are appropriated out of any moneys in the general fund in the state  
14 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
15 other income, to the North Dakota state university extension service, the northern crops  
16 institute, the upper great plains transportation institute, the main research center, branch  
17 research centers, and agronomy seed farm for the purpose of defraying the expenses of the  
18 North Dakota state university extension service, the northern crops institute, the upper great  
19 plains transportation institute, the main research center, branch research centers, and  
20 agronomy seed farm, for the biennium beginning July 1, 2015, and ending June 30, 2017, as  
21 follows:

22 Subdivision 1.

23 NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

Sixty-fourth  
Legislative Assembly

		Adjustments or		
	Base Level	Enhancements	Appropriation	
1				
2				
3	Extension service	\$48,867,985	\$6,069,583	\$54,937,568
4	Soil conservation committee	1,137,800	75,000	1,212,800
5	Accrued leave payments	<u>1,716,289</u>	<u>(1,716,289)</u>	<u>0</u>
6	Total all funds	\$51,722,074	\$4,428,294	\$56,150,368
7	Less estimated income	<u>23,897,809</u>	<u>1,928,899</u>	<u>25,826,708</u>
8	Total general fund	\$27,824,265	\$2,499,395	\$30,323,660
9	Full-time equivalent positions	258.26	7.65	265.91

10 Subdivision 2.

11 NORTHERN CROPS INSTITUTE

		Adjustments or		
	Base Level	Enhancements	Appropriation	
12				
13				
14	Northern crops institute	\$3,719,827	\$130,066	\$3,849,893
15	Accrued leave payments	<u>42,195</u>	<u>(42,195)</u>	<u>0</u>
16	Total all funds	\$3,762,022	\$87,871	\$3,849,893
17	Less estimated income	<u>1,797,161</u>	<u>(49,426)</u>	<u>1,747,735</u>
18	Total general fund	\$1,964,861	\$137,297	\$2,102,158
19	Full-time equivalent positions	12.00	0.00	12.00

20 Subdivision 3.

21 UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

		Adjustments or		
	Base Level	Enhancements	Appropriation	
22				
23				
24	Upper great plains transportation	\$25,038,160	(\$1,515,404)	\$23,522,756
25	institute			
26	Accrued leave payments	<u>241,627</u>	<u>(241,627)</u>	<u>0</u>
27	Total all funds	\$25,279,787	(\$1,757,031)	\$23,522,756
28	Less estimated income	<u>22,452,963</u>	<u>(4,277,306)</u>	<u>18,175,657</u>
29	Total general fund	\$2,826,824	\$2,520,275	\$5,347,099
30	Full-time equivalent positions	53.75	1.23	54.98

Sixty-fourth  
Legislative Assembly

1	Subdivision 4.			
2		MAIN RESEARCH CENTER		
3			Adjustments or	
4		Base Level	Enhancements	Appropriation
5	Main research center	\$102,691,843	\$33,633,794	\$136,325,637
6	Accrued leave payments	<u>2,561,394</u>	<u>(2,561,394)</u>	<u>0</u>
7	Total all funds	\$105,253,237	\$31,072,400	\$136,325,637
8	Less estimated income	<u>53,053,716</u>	<u>4,044,809</u>	<u>57,098,525</u>
9	Total general fund	\$52,199,521	\$27,027,591	\$79,227,112
10	Full-time equivalent positions	351.49	2.36	353.85
11	Subdivision 5.			
12		RESEARCH CENTERS		
13			Adjustments or	
14		Base Level	Enhancements	Appropriation
15	Dickinson research center	\$6,116,621	\$1,241,540	\$7,358,161
16	Central grasslands research center	3,229,867	452,700	3,682,567
17	Hettinger research center	4,661,729	589,459	5,251,188
18	Langdon research center	2,832,495	344,621	3,177,116
19	North central research center	4,582,677	604,264	5,186,941
20	Williston research center	3,766,986	1,707,104	5,474,090
21	Carrington research center	7,892,494	1,693,020	9,585,514
22	Accrued leave payments	<u>503,916</u>	<u>(503,916)</u>	<u>0</u>
23	Total all funds	\$33,586,785	\$6,128,792	\$39,715,577
24	Less estimated income	<u>16,001,083</u>	<u>3,816,047</u>	<u>19,817,130</u>
25	Total general fund	\$17,585,702	\$2,312,745	\$19,898,447
26	Full-time equivalent positions	107.04	6.90	113.94
27	Subdivision 6.			
28		AGRONOMY SEED FARM		
29			Adjustments or	
30		Base Level	Enhancements	Appropriation
31	Agronomy seed farm	\$1,466,018	\$54,989	\$1,521,007

Sixty-fourth  
Legislative Assembly

1	Accrued leave payments	<u>5,741</u>	<u>(5,741)</u>	<u>0</u>
2	Total special funds	\$1,471,759	\$49,248	\$1,521,007
3	Full-time equivalent positions	3.00	0.00	3.00
4	Subdivision 7.			
5		BILL TOTAL		
6			Adjustments or	
7		Base Level	Enhancements	Appropriation
8	Grand total general fund	\$102,401,173	\$34,672,303	\$137,073,476
9	Grand total special funds	<u>118,674,491</u>	<u>5,687,271</u>	<u>124,361,762</u>
10	Grand total all funds	\$221,075,664	\$40,359,574	\$261,435,238

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

**SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

15	<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
16	Agronomy laboratories	\$5,925,000	\$150,000
17	Extension 4-H camp renovation	1,900,000	0
18	Feed mill equipment	100,000	0
19	Video conference equipment	110,000	0
20	Upper great plains transportation institute	1,250,000	0
21	state match for federal funds		
22	Diagnostic equipment	400,000	0
23	Junior master gardener program	25,000	0
24	Upper great plains transportation institute road study	0	1,250,000
25	Dust issues technical support	0	100,000
26	Greenhouse utilities	0	400,000
27	Veterinary diagnostics laboratory	0	18,000,000
28	Seed cleaning plants	0	2,600,000
29	Flooded lands study	<u>82,000</u>	<u>82,000</u>
30	Total all funds	\$9,792,000	\$22,582,000

1	Total other funds	<u>950,000</u>	<u>150,000</u>
2	Total general fund	\$8,842,000	\$22,432,000

3 The 2015-17 one-time funding amounts are not a part of the entity's base budget for the  
4 2017-19 biennium. The main research center shall report to the appropriations committees of  
5 the sixty-fifth legislative assembly on the use of this one-time funding for the biennium  
6 beginning July 1, 2015, and ending June 30, 2017.

7 **SECTION 3. ADDITIONAL INCOME - APPROPRIATION.** In addition to the amount  
8 included in the grand total special funds appropriation line item in section 1 of this Act, any other  
9 income, including funds from federal acts, private grants, gifts, and donations, or from other  
10 sources received by the North Dakota state university extension service, the northern crops  
11 institute, the upper great plains transportation institute, the main research center, branch  
12 research centers, and agronomy seed farm, except as otherwise provided by law, is  
13 appropriated for the purpose designated in this Act, grant, gift, or donation, for the biennium  
14 beginning July 1, 2015, and ending June 30, 2017.

15 **SECTION 4. ACQUISITION OF LAND AUTHORIZED.** The state of North Dakota, by and  
16 through the state board of agricultural research and education, may acquire certain real  
17 property in Cavalier County to be used for the purposes of the Langdon research extension  
18 center on the terms and for a price as approved by the board, but not to exceed \$350,000 nor  
19 the appraised value of the property. The board may purchase the northeast  $\frac{1}{4}$  of section 19 of  
20 township 161 north, range 59 west.

21 **SECTION 5. APPROPRIATION.** There is appropriated out of any moneys in the general  
22 fund in the state treasury, not otherwise appropriated, the sum of \$175,000, and from special  
23 funds, the sum of \$175,000, or so much of the sum as may be necessary, to the Langdon  
24 research extension center for the purpose of purchasing the real property described in section 4  
25 of this Act, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding  
26 provided in this section is considered a one-time funding item.

27 **SECTION 6. AMENDMENT.** Section 4-05.1-05 of the North Dakota Century Code is  
28 amended and reenacted as follows:

1           **4-05.1-05. North Dakota state university main research center position adjustments -**  
2 **Budget section report.**

3           The North Dakota state university main research center must be located on the campus of  
4 North Dakota state university of agriculture and applied science. The center is the administrative  
5 location of the agricultural experiment station. The center shall conduct research and coordinate  
6 all research activities of the agricultural experiment station. The research must have, as a  
7 purpose, the development and dissemination of technology important to the production and  
8 utilization of food, feed, fiber, and fuel from crop and livestock enterprises. The research must  
9 provide for an enhancement of the quality of life, sustainability of production, and protection of  
10 the environment. Subject to the availability of funds, the station director may adjust or increase  
11 full-time equivalent positions in order to carry out activities to accomplish the mission of the  
12 agricultural experiment station. All full or partial positions must be separate from North Dakota  
13 state university. Annually, the station director shall report to the office of management and  
14 budget and to the budget section any adjustments or increases made pursuant to this section.  
15 The center may conduct baseline research, including production and processing in conjunction  
16 with the research and extension centers of the state, regarding industrial hemp and other  
17 alternative industrial use crops. The center may collect feral hemp seed stock and develop  
18 appropriate adapted strains of industrial hemp which contain less than three-tenths of one  
19 percent tetrahydrocannabinol in the dried flowering tops. The agriculture commissioner shall  
20 monitor the collection of feral hemp seed stock and industrial hemp strain development and  
21 shall certify appropriate stocks for licensed commercial cultivation.

22           **SECTION 7. AMENDMENT.** Section 4-08-10 of the North Dakota Century Code is amended  
23 and reenacted as follows:

24           **4-08-10. Extension agent to submit monthly account of expenditures - Position**  
25 **adjustments - Budget section report.**

26           The extension agent shall submit monthly an accurate itemized account of all expenditures  
27 incurred by the agent in the regular conduct of duties to the North Dakota state university  
28 extension service for examination and audit. When charges are made by an extension agent for  
29 money expended in the performance of official duties, all items of one dollar or more expended  
30 and charged for must be covered by a subvoucher or receipt that must be signed by the person  
31 to whom the money was paid. The subvoucher or receipt must show at what place, on what

1 date, and for what the money expended was paid. The extension agent shall forward the  
2 subvouchers or receipts with the bill, claim, account, or demand against the county. When  
3 charges are made for transportation expenses, they may not exceed the amounts provided by  
4 section 11-10-15, and must be in itemized form showing the mileage traveled, the days when  
5 and how traveled, and the purpose thereof, verified by affidavit. The account must be  
6 transmitted and recommended for payment by the North Dakota state university extension  
7 service which shall audit the same and which may approve or disallow any expense item  
8 therein. The state board of agricultural research and education and the president of North  
9 Dakota state university shall control and administer the North Dakota state university extension  
10 service subject to the supervision of the state board of higher education. Funds appropriated to  
11 the North Dakota state university extension service may not be commingled with funds  
12 appropriated to North Dakota state university. An appropriation request to defray expenses of  
13 the North Dakota state university extension service must be separate from an appropriation  
14 request to defray expenses of North Dakota state university. Subject to the availability of funds,  
15 the director of the North Dakota state university system extension service may adjust or  
16 increase full-time equivalent positions in order to carry out activities to accomplish the mission  
17 of the extension service. All full or part-time positions must be separate from North Dakota state  
18 university. Annually, the director of the North Dakota state university extension service shall  
19 report to the office of management and budget and to the budget section any adjustments or  
20 increases made pursuant to this section.

21 **SECTION 8. AMENDMENT.** Section 57-39.5-02 of the North Dakota Century Code is  
22 amended and reenacted as follows:

23 **57-39.5-02. Imposition - Transfer of funds - Exemptions.**

24 There is imposed a tax of three percent upon the gross receipts of retailers from all sales at  
25 retail, including the leasing or renting, of farm machinery or irrigation equipment used  
26 exclusively for agricultural purposes. After July first of each year, one million dollars of taxes  
27 collected under this chapter must be transferred to the state treasurer who shall deposit the  
28 moneys in the agricultural research fund. Gross receipts from sales at retail of farm machinery  
29 or irrigation equipment are exempted from the tax imposed by this chapter when the sale, lease,  
30 or rental is made to a purchaser or lessor who is entitled to a sales and use tax exemption  
31 under subsection 6 or 12 of section 57-39.2-04 on otherwise taxable sales at retail. There are

1 specifically exempted from the tax imposed by this chapter the gross receipts from the sale,  
2 lease, or rental of used farm machinery, farm machinery repair parts, used irrigation equipment,  
3 or irrigation equipment repair parts used exclusively for agricultural purposes. For purposes of  
4 this section, "used" means:

- 5 1. Tax under this chapter or chapter 57-39.2 or 57-40.2 has been paid on a previous  
6 sale;
- 7 2. Tax under section 57-39.5-06 has been paid under a previous lease;
- 8 3. Originally purchased outside this state and previously owned by a farmer; or
- 9 4. Has been under rental for three years or more.

10 **SECTION 9. AMENDMENT.** Section 57-43.1-03.1 of the North Dakota Century Code is  
11 amended and reenacted as follows:

12 **57-43.1-03.1. Refund of tax for fuel used for agricultural purposes - Reductions.**

13 Any consumer who buys or uses any motor vehicle fuel for an agricultural purpose on which  
14 the motor vehicle fuel tax has been paid may file a claim with the commissioner for a refund  
15 under this chapter. ~~The amount of the tax refund under this section must be reduced by seven-~~  
16 ~~cents per gallon [3.79 liters] except for those fuels used in aircraft or with respect to refunds-~~  
17 ~~claimed by aircraft fuel users. The amount per gallon [3.79 liters] withheld from the refund must~~  
18 ~~be deposited in the agricultural research fund.~~

19 **SECTION 10. DICKINSON RESEARCH EXTENSION CENTER - MINERAL RIGHTS**

20 **INCOME.** The Dickinson research extension center may spend up to \$755,000 of revenues  
21 received during the 2015-17 biennium from mineral royalties, leases, or easements for ongoing  
22 operational expenses. Any revenues received in excess of \$755,000 may be spent only for  
23 one-time expenditures for the biennium beginning July 1, 2015, and ending June 30, 2017.

24 **SECTION 11. WILLISTON RESEARCH EXTENSION CENTER - MINERAL RIGHTS**

25 **INCOME - REPORT.** The Williston research extension center shall report to the sixty-fifth  
26 legislative assembly on amounts received and spent from mineral royalties, leases, or  
27 easements in the biennium beginning July 1, 2013, and ending June 30, 2015, and the  
28 biennium beginning July 1, 2015, and ending June 30, 2017.

29 **SECTION 12. TRANSFER AUTHORITY.** Upon approval of the state board of agricultural  
30 research and education and appropriate branch research center directors, the director of the  
31 main research center may transfer appropriation authority within subdivisions 1, 2, 4, and 5 of



1 section 1 of this Act. Any amounts transferred must be reported to the director of the office of  
2 management and budget.

3 **SECTION 13. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** The board of higher  
4 education may adjust or increase full-time equivalent positions as needed for the entities in  
5 section 1 of this Act. All full- or part-time positions must be separate from North Dakota state  
6 university. Annually, the board shall report to the office of management and budget and to  
7 budget section any adjustments made pursuant to this section.

8 **SECTION 14. LEGISLATIVE MANAGEMENT STUDY.** During the 2015-16 interim, the  
9 legislative management shall consider studying the feasibility of placing the upper great plains  
10 transportation institute under the administrative authority of the department of transportation. If  
11 conducted, the study must identify potential efficiencies, potential issues, and current services  
12 or benefits provided to the upper great plains transportation institute by North Dakota state  
13 university. The legislative management shall report its findings and recommendations, along  
14 with any legislation required to implement the recommendations, to the sixty-fifth legislative  
15 assembly.

16 **SECTION 15. UNEXPENDED GENERAL FUND - EXCESS INCOME - EXEMPTION.** Any  
17 unexpended general fund appropriation authority to and any excess income received by entities  
18 listed in section 1 of this Act are not subject to the provisions of section 54-44.1-11, and any  
19 unexpended funds from these appropriations or revenues are available and may be expended  
20 by those entities, during the biennium beginning July 1, 2017, and ending June 30, 2019.

21 **SECTION 16. EXEMPTION.** The amounts appropriated for the agronomy laboratories  
22 contained in subdivision 4 of section 1 of chapter 51 of the 2013 Session Laws, are not subject  
23 to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations or  
24 related revenues are available and may be expended during the biennium beginning July 1,  
25 2015, and ending June 30, 2017.

26 **SECTION 17. EXEMPTION.** The amounts appropriated for the Extension 4-H camp  
27 contained in subdivision 1 of section 1 of chapter 51 of the 2013 Session Laws are not subject  
28 to the provision of section 54-44.1-11, and any unexpended funds from these appropriations or  
29 related revenues are available and may be expended during the biennium beginning July 1,  
30 2015, and ending June 30, 2017.

1       **SECTION 18. EMERGENCY.** The appropriation for capital projects of \$20,750,000 in  
2 subdivision 4 of section 1 and sections 4 and 5 of this Act are declared to be an emergency  
3 measure.