

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
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DESCRIPTION

1185

2007 HOUSE AGRICULTURE

HB 1185

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB1185

House Agriculture Committee

Check here for Conference Committee

Hearing Date: 1-19-2007

Recorder Job Number: 1468

Committee Clerk Signature

Marlynn Kuehn for Ed Ellefson

Minutes:

Chairman Johnson: Opened HB 1085.

Rep Solberg: Representing District 2. I am sponsoring HB 1185 which amends the existing ND Century code that deals with dry pea and lentils assessment. This bill obviously is at the request of the Dry Pea and Lentil Association and will eliminate the problem of doubling up on the assessment which is 1% of the net value of commodities which is peas and lentils. As the amendment states the requirement of this section 4.10.7.09 does not apply to any dry peas and lentils grown in the state or province and are levied and imposed its own assessment on that crop. This is a common sense request that we ask that the outside committee give a DO PASS.

Sen. Oconnel: I am for the support of the bill.

Eric Bartsch: Administration for the ND Dry Pea and Lentil Council. See printed Testimony in favor of the bill.

Chairman Johnson: Erik, the assessments are returned to ND going into Regina, are they assessing in Regina?

Eric Bartsch: It my understanding that Regina does assess ND check off. Saskatchewan is accessec.

Steve Straege: With the Grain Dealers Association. Calling to the committee's attention what he feels is a problem in collecting the check off assessment. The language in this bill could allow no collection at all. I know of elevators right now on the Montana Line that some of them are collecting only ND assessments. We question if the state of Montana still has authority to order the ND elevator to collect on these assessments in Montana. I have a letter here from the Montana Dept. of Agriculture says that they must. Our check off in ND is collected on the Quarterly basis. Montana is telling our elevators there check off is collected monthly. We don't think this is fair. I went into the century code and I pulled out Dean's references to the various check offs that are collected by ND elevators. ND Elevators collect a check of for almost everything possible. That is why we have to keep coming back here every year. There might be some compliance problems, but elevators do what they can to stay in line. If this bill passes, some elevators will tell Montana to take a hike.

I talked to Neil Fischer from the Wheat Commission. He said that at one time they had gone against Minnesota elevators to collect the ND check off. I share Rep. Solberg's wisdom; let's make it as simple as possible. Make sure we do collect some.

Closed hearing on HB1185.

FISCAL NOTE

Requested by Legislative Council

01/31/2007

Amendment to: HB 1185

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

| | 2005-2007 Biennium | | 2007-2009 Biennium | | 2009-2011 Biennium | |
|-----------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | | | |
| Expenditures | | | | | | |
| Appropriations | | | | | | |

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

| 2005-2007 Biennium | | | 2007-2009 Biennium | | | 2009-2011 Biennium | | |
|--------------------|--------|------------------|--------------------|--------|------------------|--------------------|--------|------------------|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| | | | | | | | | |

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1185 would allow the North Dakota Dry Pea and Lentil Council to enter into reciprocal agreements to distribute assessments back to another state or province on product that originated out of state and was sold into North Dakota.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

| | | | |
|----------------------|--------------|-----------------------|-------------------------------|
| Name: | Eric Bartsch | Agency: | ND Dry Pea and Lentil Council |
| Phone Number: | 701-222-0128 | Date Prepared: | 01/31/2007 |

FISCAL NOTE
Requested by Legislative Council
01/08/2007

Bill/Resolution No.: HB 1185

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

| | 2005-2007 Biennium | | 2007-2009 Biennium | | 2009-2011 Biennium | |
|-----------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | (\$74,722) | | (\$23,007) |
| Expenditures | | | | | | |
| Appropriations | | | | | | |

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

| 2005-2007 Biennium | | | 2007-2009 Biennium | | | 2009-2011 Biennium | | |
|--------------------|--------|------------------|--------------------|--------|------------------|--------------------|--------|------------------|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| | | | | | | | | |

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1185 would exempt out of State producers from paying the North Dakota pea and lentil assessment when selling into the State. Currently producers from South Dakota and Montana are paying double assessment when delivering into North Dakota.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The section that has fiscal impact is "The requirements of this section do not apply to any dry peas and lentils grown in a state or province that levies and imposes its own assessment on that crop". If the crop originates in a state or province that has an assessment on dry peas and lentils it would not be subject to the pea and lentil assessment in North Dakota.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

| | | | |
|----------------------|--------------|-----------------------|------------------------------|
| Name: | Eric Bartsch | Agency: | ND Dy Pea and Lentil Council |
| Phone Number: | 701-222-0128 | Date Prepared: | 01/16/2007 |

House Amendments to HB 1185 (70484.0101) - Agriculture Committee 01/25/2007

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 4-10.7-07 of the North Dakota Century Code, relating to the powers and duties of the North Dakota dry pea and lentil council.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 4-10.7-07 of the North Dakota Century Code is amended and reenacted as follows:

4-10.7-07. Council powers and duties. In the administration of this chapter, the council may:

1. Contract and cooperate with any person or with any governmental department or agency for research, education, publicity, promotion, and transportation for purposes of this chapter.
2. Expend funds collected pursuant to this chapter for its administration.
3. Appoint, employ, bond, discharge, fix the compensation for, and prescribe the duties of such administrative, clerical, technical, and other personnel as it deems necessary.
4. Accept donations of funds, property, services, or other assistance from public or private sources for the purpose of furthering the objectives of the council.
5. Investigate and prosecute in the name of the state any action or suit to enforce the collection or ensure payment of the taxes authorized by this chapter, and to sue and be sued in the name of the council.
6. Formulate the general policies and programs of markets and industries for the utilization of dry peas and lentils grown within the state.
7. Enter a reciprocal agreement with the governmental entity that is responsible for administration of the dry pea and lentil assessment in another state or province and provide for:
 - a. The return by that governmental entity of any assessment charged on dry peas and lentils grown in this state; and
 - b. The return by the council of any assessment charged on dry peas and lentils grown in another state or province."

Renumber accordingly

1-25-07
HB 1185

Date:
Roll Call Vote #:

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House AGRICULTURE Committee

Check here for Conference Committee

Legislative Council Amendment Number 70484-0101
move amendment

Action Taken MOVE AS AMENDED

Motion Made By HEADLAND Seconded By BOE

| Representatives | Yes | No | Representatives | Yes | No |
|-------------------------------|-----|----|-------------------|-----|----|
| Dennis Johnson, Chairman | | | Tracy Boe | | |
| Joyce Kingsbury Vice Chairman | | | Rodney J Froelich | | |
| Wesley Belter | | | Phillip Mueller | | |
| Mike Brandenburg | | | Kenton Onstad | | |
| Mike Brandenburg | | | Ben Vig | | |
| Craig Headland | | | | | |
| Brenda Heller | | | | | |
| John D Wall | | | | | |
| Gerry Uglem | | | | | |
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VOICE

Total (Yes) ~~70~~ 10 No _____

Absent 3

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

1-25-07
HB 1185

Date:
Roll Call Vote #:

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House AGRICULTURE Committee

Check here for Conference Committee

Legislative Council Amendment Number 70484-0101

Action Taken DO PASS as amended

Motion Made By BOE Seconded By HELLER

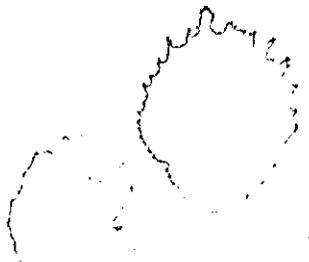
| Representatives | Yes | No | Representatives | Yes | No |
|-------------------------------|-----|----|-------------------|-----|----|
| Dennis Johnson, Chairman | | | Tracy Boe | ✓ | |
| Joyce Kingsbury Vice Chairman | ✓ | | Rodney J Froelich | | |
| Wesley Belter | | | Phillip Mueller | ✓ | |
| Mike Brandenburg | ✓ | | Kenton Onstad | ✓ | |
| Mike Brandenburg | | | Ben Vig | ✓ | |
| Craig Headland | ✓ | | | | |
| Brenda Heller | ✓ | | | | |
| John D Wall | ✓ | | | | |
| Gerry Uglem | ✓ | | | | |
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Total (Yes) 10 No 0

Absent 3

Floor Assignment Rep HELLER

If the vote is on an amendment, briefly indicate intent:



REPORT OF STANDING COMMITTEE

HB 1185: Agriculture Committee (Rep. D. Johnson, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). HB 1185 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 4-10.7-07 of the North Dakota Century Code, relating to the powers and duties of the North Dakota dry pea and lentil council.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 4-10.7-07 of the North Dakota Century Code is amended and reenacted as follows:

4-10.7-07. Council powers and duties. In the administration of this chapter, the council may:

1. Contract and cooperate with any person or with any governmental department or agency for research, education, publicity, promotion, and transportation for purposes of this chapter.
2. Expend funds collected pursuant to this chapter for its administration.
3. Appoint, employ, bond, discharge, fix the compensation for, and prescribe the duties of such administrative, clerical, technical, and other personnel as it deems necessary.
4. Accept donations of funds, property, services, or other assistance from public or private sources for the purpose of furthering the objectives of the council.
5. Investigate and prosecute in the name of the state any action or suit to enforce the collection or ensure payment of the taxes authorized by this chapter, and to sue and be sued in the name of the council.
6. Formulate the general policies and programs of markets and industries for the utilization of dry peas and lentils grown within the state.
7. Enter a reciprocal agreement with the governmental entity that is responsible for administration of the dry pea and lentil assessment in another state or province and provide for:
 - a. The return by that governmental entity of any assessment charged on dry peas and lentils grown in this state; and
 - b. The return by the council of any assessment charged on dry peas and lentils grown in another state or province."

Renumber accordingly

2007 SENATE AGRICULTURE

HB 1185

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1185

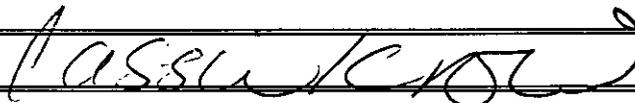
Senate Agriculture Committee

Check here for Conference Committee

Hearing Date: February 22, 2007

Recorder Job Number: 3712

Committee Clerk Signature



Minutes:

Sen. Flakoll opened the hearing on house bill 1185, a bill relating to the powers and duties of the ND dry pea and lentil council. Members (6) were present, absent (1)-Sen. Taylor.

Eric Bartsch, Administrator for the ND Dry Pea and Lentil Council, testified in favor of the bill.

See attached testimony.

Sen. Klein- will it be a financial benefit to our council?

Eric Bartsch- as a group as a whole we are all working together including South Dakota, Montana, Washington, Idaho to promote and develop industry and with working with places in Canada it would really help bring more into ND with the way that things are growing.

Sen. Klein- so this is a friendly gesture?

Eric Bartsch- yes it is a friendly gesture and relationship building between our neighboring states.

Testimony was also submitted by **Steve Strege** with the ND Grain Dealers Association in favor of the bill, see attached testimony.

No opposition to the bill.

Sen. Flakoll closed the hearing.

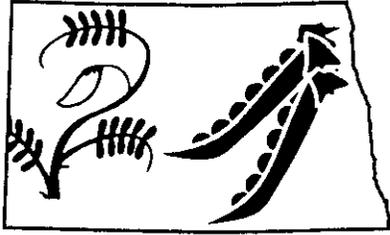
Sen. Klein motioned for a Do Pass and was seconded by **Sen. Behm**, roll call vote 1: 4 yea, 0 nay, 3 absent. **Sen. Klein** was designated to carry the bill to the floor.

REPORT OF STANDING COMMITTEE

HB 1185, as engrossed: Agriculture Committee (Sen. Flakoll, Chairman) recommends **DO PASS** (4 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). Engrossed HB 1185 was placed on the Fourteenth order on the calendar.

2007 TESTIMONY

HB 1185



North Dakota Dry Pea & Lentil Council

PO Box 1352 • Bismarck, ND 58502

Testimony of Eric Bartsch
North Dakota Dry Pea and Lentil Council
House Bill 1185
House Agriculture Committee
Peace Garden Room
January 19, 2007

Chairman Johnson and members of the committee, my name is Eric Bartsch and I am the Administrator for the North Dakota Dry Pea and Lentil Council. I am here to comment on HB 1185 which addresses the double assessment of peas, lentils and chickpeas that originate from out of state.

For many years producers from surrounding states sold their peas, lentils and chickpeas in North Dakota and due to state assessment laws the dry pea, lentil and chickpea assessment has been deducted and remitted to the North Dakota Dry Pea and Lentil Council. Over the past year, the states of Montana and South Dakota enacted an assessment for dry peas, lentils and chickpeas which requires an assessment on all peas, lentils and chickpeas that originate in those states. Currently producers from Montana and South Dakota who deliver into North Dakota are having the North Dakota and Montana or South Dakota assessments deducted on their peas, lentils and chickpeas.

HB 1185 would prevent a double assessment on peas, lentils and chickpeas that are delivered into North Dakota if the product originates in a state or province that has a checkoff law.

Chairman Johnson and committee members, I would be happy to answer any questions you may have.

GRAIN DEALERS

NORTH DAKOTA CHECKOFF COLLECTIONS

(Numerical references are to ND Century Code. CAPS and underlining added)

4-28-07 1. a. A tax of fifteen mills per bushel [35.24 liters] by weight must be levied and imposed upon all WHEAT grown in this state, delivered into this state, or sold through commercial channels to a first purchaser in this state.

4-10.4-08. 1. A tax at the rate of ten mills per bushel [35.24 liters] must be levied and imposed upon all BARLEY grown in the state, delivered into the state, or sold to a first purchaser in the state. This tax is due upon any identifiable lot or quantity of barley.

4-10.6-08. Effective July 1, 1991, an assessment at the rate of one-quarter of one percent of the value of a bushel must be levied and imposed upon all CORN marketed in this state, until a national corn checkoff is implemented. This assessment is due upon any identifiable lot or quantity of corn.

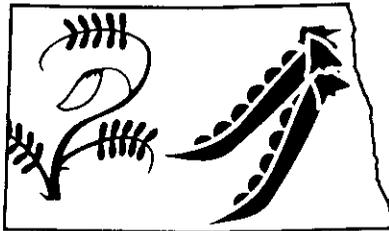
4-10.5-07. Effective August 1, 1995, an assessment at the rate of one-half of one percent of the value of the sale must be levied and imposed upon all SOYBEANS sold to a designated handler. This assessment is due upon any identifiable lot or quantity of soybeans.

4-10.7-09. Effective July 1, 1997, an assessment at the rate of one percent of the net value of dry peas and lentils must be levied and imposed upon all DRY PEAS AND LENTILS grown in the state or sold to a first purchaser. This assessment is due upon any identifiable lot or quantity of dry peas or lentils.

4-10.3-08. 1. An assessment at the rate of ten cents per hundredweight [45.36 kilograms] must be levied and imposed upon all DRY BEANS grown in this state, delivered into this state, or sold to a designated handler. This assessment is due upon any identifiable lot or quantity of dry beans.

4-10.2-08 The first purchaser of sunflower, safflower, rapeseed or canola, crambe, or flax shall collect the assessment imposed by this section by charging and collecting from the seller the assessment at the rate specified in this section by deducting the assessment from the purchase price of all SUNFLOWER, SAFFLOWER, RAPESEED OR CANOLA, CRAMBE, OR FLAX subject to the assessment and purchased by the first purchaser.

from ND
Grain Dealers



North Dakota Dry Pea & Lentil Council

PO Box 1352 • Bismarck, ND 58502

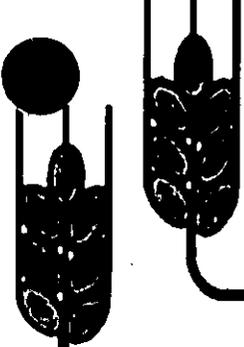
Testimony of Eric Bartsch
North Dakota Dry Pea and Lentil Council
House Bill 1185
Senate Agriculture Committee
Roosevelt Park Room
February 22, 2007

Chairman Flakoll and members of the Senate Agriculture committee, for the record my name is Eric Bartsch and I am the Administrator for the North Dakota Dry Pea and Lentil Council. I am here to comment on HB 1185 which would give the Council the authority to enter into a reciprocal agreement with another state or province to return and receive assessment dollars for peas, lentils and chickpeas that are traded across state borders.

For many years producers from surrounding states sold their peas, lentils and chickpeas in North Dakota and due to state assessment laws the dry pea, lentil and chickpea assessment has been deducted and remitted to the North Dakota Dry Pea and Lentil Council. Over the past year, the states of Montana and South Dakota enacted an assessment for dry peas, lentils and chickpeas which requires an assessment on all peas, lentils and chickpeas that originate in those states. Currently producers from Montana and South Dakota who deliver into North Dakota are having the North Dakota and Montana or South Dakota assessments deducted on their peas, lentils and chickpeas.

HB 1185 would allow the Council to enter into agreements with other states and provinces to prevent the double assessment.

Chairman Flakoll and committee members, I would be happy to answer any questions you may have.



NORTH DAKOTA GRAIN DEALERS ASSOCIATION

STEVEN D. STREGE, Executive Vice President
CHERYL WELLE, Executive Assistant
SUE BENSON, Office Assistant
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118 Broadway N Ste 606, Fargo, ND 58102
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STU LETCHER, Safety & Health Director
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P.O. Box 314, Hatton, ND 58240

HAL GRIEVE, Safety Specialist
Ph: 701-633-5256, Fax: 701-633-5258
204 4th Avenue S., Buffalo, ND 58011

February 20, 2007

TO: Members of the Senate Agriculture Committee
FROM: Steve Strege, North Dakota Grain Dealers Association
RE: HB 1185 - hearing February 22

The North Dakota Grain Dealers Association supports engrossed HB 1185. We had opposed its original form because it put ND grain elevators in the position of determining state of origin and supposedly having to pay the other state's checkoff to that other state. Amendments changed that.

Background:

North Dakota grain elevators collect checkoffs for seven different commodity promotion commissions/councils on 15 crops:

| | | |
|--------------|-----------|-----------|
| spring wheat | corn | dry beans |
| durum | flax | dry peas |
| barley | canola | lentils |
| sunflowers | safflower | chickpeas |
| soybeans | crambe | garbanzo |

Some are based on a percentage of value ($\frac{1}{4}$, $\frac{1}{2}$ or 1%). Some are different amounts per bushel or per hundredweight (1, 1½, 2, 3, 10¢). Collecting only the ND checkoff and remitting to only the ND checkoff council provides at least some consistency. ND checkoff remittances are quarterly. Montana was demanding ND elevators collect the Montana checkoff on dry peas and lentils grown in Montana and remit it to Helena monthly.