

1999 SENATE AGRICULTURE

SB 2292

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2292

Senate Agriculture Committee

Conference Committee

Hearing Date 1/28/99

Tape Number	Side A	Side B	Meter #
1	X		END
1		X	0-208
Committee Clerk Signature <i>Tricia Jorgensen</i>			

Minutes:

Senator Wanzek called the meeting to order, roll call was taken, all were present.

Senator Wanzek opened the hearing on SB 2292.

Senator Tallackson introduced the bill. Old language in the law says the council "shall" levy a penalty on the delinquent payment. This presents a problem. The council wants some leeway that they may levy.

Senator Wanzek: In the beginning we see audit reports from all the commodity groups and there was a special auditors note in there detailing this problem. Auditors said this is what we should do and its in line also with other commodity groups. Were in violation because of this language.

Senator Mathern: The other commodities in their shell they have "may" instead of "shall"?

Senator Tallackson: I'm not sure.

Senator Wanzek: This change would be consistent with what other groups have.

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Senate Agriculture Committee
Bill/Resolution Number (Untitled)
Hearing Date 1/28/99

Diane Peycke from the ND Potato Council spoke in support of the bill. Testimony enclosed.

Senator Sand: This is a commodity group taking care of it's own business and you want to do it in a business like manner?

Diane Paycke: Yes.

Senator Wanzek closed the hearing on SB 2292.

Senator Sand made the motion for a Do Pass.

Senator Klein seconded.

ROLL CALL: 7 yes, 0 no

CARRIER: Senator Sand

FISCAL NOTE

Return original and 10 copies)

Bill/Resolution No.: SB 2292 Amendment to: _____

Requested by Legislative Council Date of Request: 1-19-99

- 1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

NO fiscal impact

- 2. State fiscal effect in dollar amounts:

NO fiscal impact

1997-99 Biennium
 General Fund Special Funds

1999-2001 Biennium
 General Fund Special Funds

2001-03 Biennium
 General Fund Special Funds

Revenues:

Expenditures:

- 3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: _____
 - b. For the 1999-2001 biennium: _____
 - c. For the 2001-03 biennium: _____
- } no fiscal impact*

- 4. County, City, and School District fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

NO fiscal impact

If additional space is needed, attach a supplemental sheet.

Signed *Diane Peycke*

Typed Name Diane Peycke / ND Potato Council

Department ND Potato Council

Phone Number 701-795-7898

Date Prepared: 1-20-99

Date: 1/28/99
Roll Call Vote #: (

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2292

Senate Agriculture Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Sand Seconded By Klein

Senators	Yes	No	Senators	Yes	No
Senator Wanzek	✓				
Senator Klein	✓				
Senator Sand	✓				
Senator Urlacher	✓				
Senator Kinnoin	✓				
Senator Kroeplin	✓				
Senator Mathern	✓				

Total (Yes) 7 No 0

Absent _____

Floor Assignment Senator Sand

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

REPORT OF STANDING COMMITTEE (410)
January 28, 1999 12:52 p.m.

Module No: SR-18-1380
Carrier: Sand
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2292: Agriculture Committee (Sen. Wanzek, Chairman) recommends **DO PASS**
(7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2292 was placed on the
Eleventh order on the calendar.

1999 HOUSE AGRICULTURE

SB 2292

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2292-1

House Agriculture Committee

Conference Committee

Hearing Date 2-26-99

Tape Number	Side A	Side B	Meter #
One SB 2292	x		23.0 to 35.9
Committee Clerk Signature <i>Arline Hanson</i>			

Minutes:

Summary of bill: Relating to the penalty of delinquent payment of assessments to the potato council.

Diane Peyck: Ex Director, ND Potato Council (Testimony attached) The last paragraph is very good where by it changes the word "shall" to "may" and this gives to council some latitude to access the penalty of they think it warrants it.

Rep Brusegaard: How does this compare with other groups?

Diane: Not aware of penalty accessed by other groups.

Rep Nowatzki: How much variance is there from year to year?

Diane: 45,000 to 50,000 and on up to 75,000

Rep Brusegaard: Asked Chm Nicholas if he knew of any other groups charging this fee.

Chm Nicholas: I'm not aware of any groups accessing a penalty.

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House Agriculture Committee

Bill/Resolution Number SB 2292-1

Hearing Date 2-26-99

Motion by Rep Berg for a DO PASS on SB 2292, sec by Rep Froelich

Vote total	YES	13	NO	0	ABSENT	2
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Carrier Rep Koppang

Date: 2-26-99
Roll Call Vote #:

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2292

House AGRICULTURE Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Berg Second By Froelich

Representatives	Yes	No	Representatives	Yes	No
Eugene Nicholas, Chaiman	✓		Bob Stefonowicz	✓	
Dennis E. Johnson, Vice Chm	✓				
Thomas T. Brusegaard	✓				
Earl Rennerfeldt	✓				
Chet Pollert	✓				
Dennis J. Renner	✓				
Michael D. Brandenburg					
Gil Herbel	✓				
Rick Berg	✓				
Myron Koppang	✓				
John M. Warner					
Rod Froelich	✓				
Robert E. Nowatzki	✓				
Phillip Mueller	✓				

Total (Yes) 13 No 0

Absent 2

Floor Assignment KOPPANG

REPORT OF STANDING COMMITTEE (410)
February 26, 1999 1:53 p.m.

Module No: HR-35-3708
Carrier: Koppang
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2292: Agriculture Committee (Rep. Nicholas, Chairman) recommends DO PASS
(13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2292 was placed on the
Fourteenth order on the calendar.

1999 TESTIMONY

SB 2292

Good Morning Chairman Wanzek and Ag Committee Members

Diane Prycke - Ex. Dir of ND Potato Council Also with me today, Kif Kibbiagenalen - a potato farmer from Hoopland, ND
My name is ~~Jeff Lazur~~ and I am a potato farmer from Reynolds, ND as well as a member of the ND Potato Council. I would like to take this opportunity to inform you on the functions and responsibilities of the ND Potato Council and explain the proposed ~~amendment~~ of the ND Century Code 4-10.16, Penalty for Nonpayment of Assessment.

The ND Potato Council is composed of the Commissioner of Agriculture or his designated representative, and one participating grower elected from each of the five districts. The Commissioner of Agriculture ~~or his designated representative will~~ serve as chairman of the Council. Every elected council member must be a citizen of the state and a bona fide resident of and participating grower in the district he represents. The term of each elected member is three years and begins on July first of the year of the election. All such elections must be conducted in the month of June. No elected member of the council is eligible to serve more than two consecutive three-year terms.

The production, development, marketing and promotion of potatoes in North Dakota stems from a rich history and is important to the general welfare of the people and the state of North Dakota. It is not only in the interest of the growers but also that of the public, that better methods of production, processing, marketing, advertising and promotion of North Dakota potatoes ^{be} fostered, encouraged, developed and improved. These enhancements whether direct or indirect will benefit all North Dakotans, not just producers. ~~The end result might include revenue, jobs, state recognition or a quality consumer product.~~

During the past five years, North Dakota has averaged a ranking of sixth in potato production in the United States. Potato production in 1997 was ~~21,525,000 cwt or~~ 125,000 acres planted. The 1998 crop yielded 28,670,000 cwt with acreage remaining the same. What an excellent testimony to the benefits of improved production research.

The North Dakota Potato Council is committed to providing research for producers on variety development, control of insects, weeds and diseases as well as better cultural and storage practices. Along with extensive research funding the Council also puts forth funds to gather market information and develop advertising and promotional campaigns for North Dakota potatoes.

The North Dakota Potato Council operates with funds collected from an assessment at the rate of three cents per cwt. This assessment is collected on all potatoes grown in the state or sold to a designated handler. The Council, in its discretion may increase the assessment by not more than one-half cent per cwt per year until a maximum assessment of four cents per cwt is reached.

Growers or designated handlers may claim a refund of their assessments paid to the Council. To claim a refund, a nonparticipating grower shall notify the council, in writing, on or before July fifteenth of each year, of his intention not to participate and to claim a refund of assessments paid in on potatoes grown by him during that current year. The

grower or handler, if he has notified the Council of his intentions not to participate he must then submit a second letter postmarked between June 1 and June 15th of the following year, to claim a refund of assessments paid.

To carry out the objectives of research, marketing, product development and promotion of North Dakota potatoes, the Council contracts with the Red River Valley Potato Growers Association (RRVPGA) located in East Grand Forks, MN. The RRVPGA attends many conventions and trade shows around the United States promoting Red River Valley potatoes as well as administering research programs and grant funds. As forementioned, potato production in North Dakota is rich in history. In 1946 the growers of ND and MN together formed the RRVPGA as well as a grower owned research farm south of Grand Forks, ND. The research farm contracts with the University of Minnesota and North Dakota State University to conduct extensive potato research. The Council and Association contract also allows the RRVPGA to partially fund the Area Extension Agent-Potato Specialist, Duane Preston. Mr. Preston is very knowledgeable in regards to all aspects of potato production. He conducts research throughout the North Dakota and travels and speaks extensively throughout the region as well as abroad, educating growers, educators and industry professionals on potato production. ~~The Red River Valley Potato Growers Association pays dues to the National Potato Council. The NPC's mission is to provide a single unified voice on a national level to maintain the success of the potato industry. As discussed the RRVPGA participates in many activities and functions to further the goals of the North Dakota Potato Council and the growers it represents. To carry out these goals the Council contracts approximately 90-95% of the annual budget to the Association for these purposes.~~

After discussing the functions and responsibilities of the Council I would like to highlight the reasons for ~~amendment~~ of ND Century Code 4-10.16 to read "may" assess penalties instead of "shall." The reasons for this ~~amendment~~ proposal are two fold; no activity and possible increases in refunding. First, many growers or handlers submit late reports in which no potatoes were handled. If a grower or handler submits a quarterly report late, with "no activity" you can not assess a penalty. Secondly, the Council expresses concern with penalty assessment due to the possibility of increased refunding. It is the growers right to refund, and it is appropriate that they concur with the law, but if penalties are placed on all late reports the Council may see a retaliatory action of increased refunding which would jeopardize the funding of future programs. The change of "shall" to "may" does leave the door open for penalty assessment if the Council feels the situation merits a penalty.

I appreciate the opportunity to speak on behalf of the North Dakota Potato Council and thank you for your time.

At this time I would be happy to answer any questions you might have.

Good morning Chairman Nicholas and members of the Agriculture Committee,

My name is Diane Peycke and I am Executive Director for the ND Potato Council. Also with me today is Kit Tidgarden, a potato farmer from Hoople, ND and a ND Potato Council member. I would like to take this opportunity to inform you on the functions and responsibilities of the ND Potato Council and explain the proposed word change of the ND Century Code 4-10.16 Penalty for nonpayment of assessment.

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The ND Potato Council operates with funds collected from an assessment at the rate of three cents per hundredweight. This assessment is collected on all potatoes grown in the state or sold to a designated handler. The Council, in its discretion may increase the assessment by not more than one-half cent per hundredweight per year until a maximum assessment of four cents per hundredweight is reached.

Growers or designated handlers may claim a refund of their assessments paid to the council. To claim a refund, a nonparticipating grower shall notify the council, in writing, on or before July fifteenth of each year, of his intention not to participate and to claim a refund of assessments paid in on potatoes grown by him during that current year. The grower or handler, if he has notified the council of his intentions not to participate, must then write a second letter between June 1 and June 15th of the following year, to claim a refund of assessments paid.

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After discussing the functions and responsibilities of the Council I would like to highlight the reasons for the word change of ND Century code 4-10.16 to read "may" assess penalties instead of "shall". The reasons for the proposed word change are two fold; no activity and possible increases in refunding. First, many growers or handlers submit late reports in which no potatoes were handled. If a grower or handler submits a quarterly report late, with "no activity" you can not assess a penalty. Secondly, the Council expresses concern with penalty assessment due to the possibility of increased refunding. It is the growers right to refund, and it is appropriate that they concur with the law, but if penalties are placed on all late reports the Council may see a retaliatory action of increased refunding which would jeopardize the funding of future programs. The change of "shall" to "may" does leave the door open for penalty assessment if the Council feels the situation merits a penalty.

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GWS

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