Sixty-fourth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 6, 2015

HOUSE BILL NO. 1020
(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers, and agronomy seed farm; to amend and reenact sections 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 North Dakota state university main research center full-time equivalent positions, North Dakota state university extension service full-time equivalent positions, the transfer of revenue from the farm machinery gross receipts tax, and fuel tax refunds; to authorize the Langdon research extension center to purchase certain land in Cavalier County; to provide for a report to the legislative assembly, the budget section, and the appropriations committees; to provide for transfers; to provide for a legislative management study; to provide for exemptions; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

	Base Level	Adjustments or Enhancements	Appropriation
Extension service	$48,867,985	$5,534,111	$54,402,096
Soil conservation committee	1,137,800	75,000	1,212,800
Accrued leave payments	1,716,289	(1,716,289)	0
Total all funds	$51,722,074	$3,892,822	$55,614,896
Less estimated income	23,897,809	1,928,899	25,826,708
Total general fund	$27,824,265	$1,963,923	$29,788,188
Full-time equivalent positions	258.26	5.65	263.91

Subdivision 2.

NORTHERN CROPS INSTITUTE

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

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

	Base Level	Adjustments or Enhancements	Appropriation
Upper great plains transportation institute	$25,038,160	($2,015,404)	$23,022,756
Accrued leave payments	241,627	(241,627)	0
Total all funds	$25,279,787	($2,257,031)	$23,022,756
Less estimated income	22,452,963	(4,277,306)	18,175,657
Total general fund	$2,826,824	$2,020,275	$4,847,099
Full-time equivalent positions	53.75	1.23	54.98

Subdivision 4.

MAIN RESEARCH CENTER

	Base Level	Adjustments or Enhancements	Appropriation
Main research center	$102,691,843	$34,474,294	$137,166,137
Accrued leave payments	2,561,394	(2,561,394)	0
Total all funds	$105,253,237	$31,912,900	$137,166,137
Less estimated income	53,053,716	25,044,809	78,098,525
Total general fund	$52,199,521	$6,868,091	$59,067,612
Full-time equivalent positions	351.49	2.36	353.85

Subdivision 5.

RESEARCH CENTERS

	Base Level	Adjustments or Enhancements	Appropriation
Dickinson research center	$6,116,621	$1,241,540	$7,358,161
Central grasslands research center	3,229,867	452,700	3,682,567
Hettinger research center	4,661,729	589,459	5,251,188
Langdon research center	2,832,495	344,621	3,177,116
North central research center	4,582,677	604,264	5,186,941
Williston research center	3,766,986	1,707,104	5,474,090
Carrington research center	7,892,494	1,693,020	9,585,514
Accrued leave payments	503,916	(503,916)	0
Total all funds	$33,586,785	$6,128,792	$39,715,577
Less estimated income	16,001,083	3,816,047	19,817,130
Total general fund	$17,585,702	$2,312,745	$19,898,447
Full-time equivalent positions	107.04	6.90	113.94

Subdivision 6.

AGRONOMY SEED FARM

	Base Level	Adjustments or Enhancements	Appropriation
Agronomy seed farm	$1,466,018	$54,989	$1,521,007
Accrued leave payments	5,741	(5,741)	0
Total special funds	$1,471,759	$49,248	$1,521,007
Full-time equivalent positions	3.00	0.00	3.00

Subdivision 7.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	$102,401,173	$13,477,331	$115,878,504
Grand total special funds	118,674,491	26,687,271	145,361,762
Grand total all funds	$221,075,664	$40,164,602	$261,240,266

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:

One-Time Funding Description	2013-15	2015-17
Agronomy laboratories	$5,925,000	$150,000
Extension 4-H camp renovation	1,900,000	0
Feed mill equipment	100,000	0
Video conference equipment	110,000	0
Upper great plains transportation institute state match for federal funds	1,250,000	0
Diagnostic equipment	400,000	0
Upper great plains transportation institute road study	0	750,000
Junior master gardener program	25,000	12,500
Rural leadership project	0	150,000
Dust issues technical support	0	100,000
Seed cleaning plants	0	4,500,000
Veterinary diagnostics laboratory	0	18,000,000
Flooded lands study	82,000	72,500
Total all funds	$9,792,000	$23,735,000
Total other funds	950,000	21,150,000
Total general fund	$8,842,000	$2,585,000

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

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

SECTION 4. ACQUISITION OF LAND AUTHORIZED. The state of North Dakota, by and through the state board of agricultural research and education, may acquire certain real property in Cavalier County to be used for the purposes of the Langdon research extension center on the terms and for a price as approved by the board, but not to exceed $350,000 nor the appraised value of the property. The board may purchase the northeast ¼ of section 19 of township 161 north, range 59 west.

SECTION 5. APPROPRIATION - LANGDON RESEARCH EXTENSION CENTER. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $175,000, and from special funds, the sum of $175,000, or so much of the sum as may be necessary, to the Langdon research extension center for the purpose of purchasing the real property described in section 4 of this Act, for the period beginning with the effective date of this section, and ending June 30, 2017. The funding provided in this section is considered a one-time funding item.

SECTION 6. MAIN RESEARCH CENTER - VETERINARY DIAGNOSTICS LABORATORY - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The main research center line item in subdivision 4 of section 1 of this Act includes $18,000,000 from the strategic investment and improvements fund for the veterinary diagnostics laboratory project.

SECTION 7. AMENDMENT. Section 4-05.1-05 of the North Dakota Century Code is amended and reenacted as follows:

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

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

SECTION 8. AMENDMENT. Section 4-08-10 of the North Dakota Century Code is amended and reenacted as follows:

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

The extension agent shall submit monthly an accurate itemized account of all expenditures incurred by the agent in the regular conduct of duties to the North Dakota state university extension service for examination and audit. When charges are made by an extension agent for money expended in the performance of official duties, all items of one dollar or more expended and charged for must be covered by a subvoucher or receipt that must be signed by the person to whom the money was paid. The subvoucher or receipt must show at what place, on what date, and for what the money expended was paid. The extension agent shall forward the subvouchers or receipts with the bill, claim, account, or demand against the county. When charges are made for transportation expenses, they may not exceed the amounts provided by section 11-10-15, and must be in itemized form showing the mileage traveled, the days when and how traveled, and the purpose thereof, verified by affidavit. The account must be transmitted and recommended for payment by the North Dakota state university extension service which shall audit the same and which may approve or disallow any expense item therein. The state board of agricultural research and education and the president of North Dakota state university shall control and administer the North Dakota state university extension service subject to the supervision of the state board of higher education. Funds appropriated to the North Dakota state university extension service may not be commingled with funds appropriated to North Dakota state university. An appropriation request to defray expenses of the North Dakota state university extension service must be separate from an appropriation request to defray expenses of North Dakota state university. Subject to the availability of funds, the director of the North Dakota state university extension service may adjust or increase full-time equivalent positions in order to carry out activities to accomplish the mission of the extension service. All full- or part-time positions must be separate from North Dakota state university.

Annually, the director of the North Dakota state university extension service shall report to the office of management and budget and to the budget section any adjustments or increases made pursuant to this section.

SECTION 9. AMENDMENT. Section 57-39.5-02 of the North Dakota Century Code is amended and reenacted as follows:

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

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

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

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

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

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

SECTION 11. DICKINSON RESEARCH EXTENSION CENTER - MINERAL RIGHTS INCOME. The Dickinson research extension center may spend up to $755,000 of revenues received during the 2015-17 biennium from mineral royalties, leases, or easements for ongoing operational expenses. Any revenues received in excess of $755,000 may be spent only for one-time expenditures for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 12. WILLISTON RESEARCH EXTENSION CENTER - MINERAL RIGHTS INCOME - REPORT. The Williston research extension center shall report to the sixty-fifth legislative assembly on amounts received and spent from mineral royalties, leases, or easements in the biennium beginning July 1, 2013, and ending June 30, 2015, and the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 13. MAIN RESEARCH CENTER - NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE - FTE POSITIONS - REPORT. The main research center and the North Dakota state university extension service shall report to the appropriations committees of the sixty-fifth legislative assembly on full-time equivalent positions added pursuant to sections 4-05.1-05 and 4-08-10 of the

North Dakota Century Code and section 15 of this Act, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 14. TRANSFER AUTHORITY. Upon approval of the state board of agricultural research and education and appropriate branch research center directors, the director of the main research center may transfer appropriation authority within subdivisions 1, 2, 4, and 5 of section 1 of this Act. Any amounts transferred must be reported to the director of the office of management and budget.

SECTION 15. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. The board of higher education may adjust or increase full-time equivalent positions as needed for the entities in section 1 of this Act. All full-time or part-time positions must be separate from North Dakota state university. Annually, the board shall report to the office of management and budget and to the budget section any adjustments made pursuant to this section.

SECTION 16. MAIN RESEARCH CENTER - FLOODED LANDS STUDY - BUDGET SECTION REPORT. The main research center shall report to the budget section of the legislative management regarding the status of the flooded lands study and spending related to the study, during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 17. LEGISLATIVE MANAGEMENT STUDY - UPPER GREAT PLAINS TRANSPORTATION INSTITUTE UNDER DEPARTMENT OF TRANSPORTATION. During the 2015-16 interim, the legislative management shall consider studying the feasibility of placing the upper great plains transportation institute under the administrative authority of the department of transportation. If conducted, the study must identify potential efficiencies, potential issues, and current services or benefits provided to the upper great plains transportation institute by North Dakota state university. The legislative management shall report its findings and recommendations, along with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

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

SECTION 19. EXEMPTION. The amounts appropriated for the agronomy laboratories contained in subdivision 4 of section 1 of chapter 51 of the 2013 Session Laws, are not subject to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations or related revenues are available and may be expended during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 20. EXEMPTION. The amounts appropriated for the Extension 4-H camp contained in subdivision 1 of section 1 of chapter 51 of the 2013 Session Laws are not subject to the provision of section 54-44.1-11, and any unexpended funds from these appropriations or related revenues are available and may be expended during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 21. EMERGENCY. The appropriation for capital projects of $22,650,000 in subdivision 4 of section 1 and sections 4 and 5 of this Act are declared to be an emergency measure.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-fourth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1020 and that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 77 Nays 13 Absent 4

Speaker of the House

Chief Clerk of the House

This certifies that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 47 Nays 0 Absent 0

President of the Senate

Secretary of the Senate

Received by the Governor at 4:18 P.M. on May 4, 2015.

Approved at 9:55 a.M. on May 13, 2015.

Governor

Filed in this office this 14th day of May, 2015, at 917 o'clock A M.

Secretary of State