

2023 HOUSE AGRICULTURE

HB 1501

2023 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee
Room JW327C, State Capitol

HB 1501
2/2/2023

Relating to the North Dakota soybean council; and to provide an effective date.

Chairman Thomas called the meeting to order 10:36 AM

Members present: Chairman Thomas, Vice Chairman Beltz, Representatives Christy, Finley-DeVille, Fisher, Headland, Henderson, Kiefert, Olson, Prichard, Schreiber-Beck, Tveit, VanWinkle.

Discussion Topics:

- Employee benefits
- Procurement
- NDPERS evaluation

In favor:

Representative Mike Beltz, District 20, Primary sponsor, proposed amendment #18850
Representative Dennis Johnson, District 15 Devils Lake, and Speaker of the House (no written testimony)

Phil Murphy, Government Liaison, ND Soybean Growers Association, # 18849
Stephanie Sinner, Executive Director, ND Soybean Council (no written testimony)

Opposed:

Scott Miller, Executive Director, NDPERS, #18667

Chairman Thomas adjourned the meeting 11:12 PM

Diane Lillis, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee
Room JW327C, State Capitol

HB 1501
2/3/2023

Relating to the North Dakota soybean council; and to provide an effective date.

Chairman Thomas called the meeting to order 11:44 AM

Members present: Chairman Thomas, Vice Chairman Beltz, Representatives Christy, Finley-DeVille, Fisher, Headland, Henderson, Olson, Pritchard, Schreiber-Beck, Tveit, VanWinkle. Member absent: Representative Kiefert.

Discussion Topics:

- NDPERS Actuary
- Private entity
- State oversight

Representative Beltz presented an amendment, #19106 and Christmas tree version #19105 that includes amendment presented on 2-2-2023, then moved to adopt #23.0865.02002. Representative Schreiber-Beck seconded.

Roll call vote:

Representatives	Vote
Representative Paul J. Thomas	Y
Representative Mike Beltz	Y
Representative Josh Christy	Y
Representative Lisa Finley-DeVille	Y
Representative Jay Fisher	Y
Representative Craig Headland	Y
Representative Donna Henderson	Y
Representative Dwight Kiefert	AB
Representative SuAnn Olson	Y
Representative Brandon Prichard	Y
Representative Cynthia Schreiber-Beck	Y
Representative Bill Tveit	Y
Representative Lori VanWinkle	Y

Motion passed 12-0-1

Representative Christy moved to a do pass as amended and rerefer to appropriations. Representative Schreiber-Beck seconded.

Roll call vote:

Representatives	Vote
Representative Paul J. Thomas	Y
Representative Mike Beltz	Y
Representative Josh Christy	Y
Representative Lisa Finley-DeVille	Y
Representative Jay Fisher	N
Representative Craig Headland	N
Representative Donna Henderson	N
Representative Dwight Kiefert	AB
Representative SuAnn Olson	Y
Representative Brandon Prichard	N
Representative Cynthia Schreiber-Beck	Y
Representative Bill Tveit	N
Representative Lori VanWinkle	N

Motion fails, 6-6-1

Representative Headland moved to amend the bill to state language that “any federal check off agency does not require a state audit”, #20341
Representative Pritchard seconded.

Roll call vote:

Representatives	Vote
Representative Paul J. Thomas	Y
Representative Mike Beltz	N
Representative Josh Christy	Y
Representative Lisa Finley-DeVille	Y
Representative Jay Fisher	Y
Representative Craig Headland	Y
Representative Donna Henderson	Y
Representative Dwight Kiefert	AB
Representative SuAnn Olson	Y
Representative Brandon Prichard	Y
Representative Cynthia Schreiber-Beck	Y
Representative Bill Tveit	Y
Representative Lori VanWinkle	Y

Motion passed 11-1-1

Chairman Thomas adjourned the meeting 11:55 PM

Diane Lillis, Committee Clerk

JA
2-10-23

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1501

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 54-10 of the North Dakota Century Code, relating to state audits of commodity groups; and to amend and reenact subsection 2 of section 4.1-44-04 of the North Dakota Century Code, relating to the presentation of state audit reports.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 2 of section 4.1-44-04 of the North Dakota Century Code is amended and reenacted as follows:

2. The presiding officer of each house of the legislative assembly may direct the reports be filed with some other standing committee of that house. Each report must contain a summary of the activities of the commodity group during the current biennium, and a single-page uniform statement of revenues and expenditures for the next biennium. Each report, except the reports of the North Dakota beekeepers association and the North Dakota turkey federation, also must include a statean auditor's report on the commodity group's single-page uniform statement of revenues and expenditures for the previous two fiscal years or an annual federal financial statement audit required due to a federally mandated checkoff associated with the group's national association.

SECTION 2. A new section to chapter 54-10 of the North Dakota Century Code is created and enacted as follows:

Commodity groups - Certain groups exempt.

A commodity group required to present a state auditor's report under section 4.1-44-04 is exempt from this chapter if the commodity group is subject to a federal audit due to a federally mandated checkoff associated with the group's national association."

Re-number accordingly

2023 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee
Room JW327C, State Capitol

HB 1501
2/10/2023

Relating to the North Dakota soybean council; and to provide an effective date.

Chairman Thomas called the meeting to order 11:50 AM

Members present: Chairman Thomas, Vice Chairman Beltz, Representatives Christy, Finley-DeVille, Fisher, Headland, Henderson, Kiefert, Olson, Pritchard, Schreiber-Beck, Tveit, VanWinkle.

Discussion Topics:

- Committee action

Representative Thomas presented the complete adopted amendment, #20595, LC #23.0865.02005

Representative Headland moved a do pass as amended.
Representative Schreiber-Beck seconded.

Roll call vote:

Representatives	Vote
Representative Paul J. Thomas	Y
Representative Mike Beltz	Y
Representative Josh Christy	Y
Representative Lisa Finley-DeVille	Y
Representative Jay Fisher	Y
Representative Craig Headland	Y
Representative Donna Henderson	N
Representative Dwight Kiefert	Y
Representative SuAnn Olson	Y
Representative Brandon Prichard	Y
Representative Cynthia Schreiber-Beck	Y
Representative Bill Tveit	Y
Representative Lori VanWinkle	N

Motion passed 11-2-0

Representative Fisher will carry the bill.

Chairman Thomas adjourned the meeting 11:56 AM

Diane Lillis, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1501: Agriculture Committee (Rep. Thomas, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1501 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 create and enact a new section to chapter 54-10 of the North Dakota Century Code, relating to state audits of commodity groups; and to amend and reenact subsection 2 of section 4.1-44-04 of the North Dakota Century Code, relating to the presentation of state audit reports.

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SECTION 2. A new section to chapter 54-10 of the North Dakota Century Code is created and enacted as follows:

Commodity groups - Certain groups exempt.

A commodity group required to present a state auditor's report under section 4.1-44-04 is exempt from this chapter if the commodity group is subject to a federal audit due to a federally mandated checkoff associated with the group's national association."

Renumber accordingly

2023 SENATE AGRICULTURE AND VETERANS AFFAIRS

HB 1501

2023 SENATE STANDING COMMITTEE MINUTES

Agriculture and Veterans Affairs Committee Fort Union Room, State Capitol

HB 1501
3/23/2023

A bill relating to the North Dakota soybean council and the North Dakota soybean fund; and to provide an effective date.
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10:27 AM Chairman Luick opened the meeting. Members present: Chairman Luick, Vice Chairman Myrdal, Senator Lemm, Senator Hogan, Senator Weston, Senator Weber.

Discussion Topics:

- State audit reports
- Non-government agency
- Removes dual audit.

10:27 AM Representative Mike Beltz, District 20, introduced HB 1501 and proposed an amendment. #26476

10:32 AM Phil Murphy, Legislative Liaison, North Dakota Soybean Growers Association testified in favor of HB1501. #26471

10:43 AM Dan Wogsland, Executive Director, North Dakota Grain Growers Association, testified in favor of HB 1501. #26411

10:44 AM Scott Miller, Executive director, North Dakota Public Employee Retirement System testified opposed to HB 1501. No written testimony.

10:48 AM Phil Murphy answered questions from the committee.

10:49 AM Chris Brossart, Chairman, North Dakota Soybean Council, answered questions by the committee.

10:50 Chairman Luick adjourned the meeting.

Brenda Cook, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Agriculture and Veterans Affairs Committee Fort Union Room, State Capitol

HB 1501
3/23/2023

A bill relating to the North Dakota soybean council and the North Dakota soybean fund; and to provide an effective date.

11:27 AM Chairman Luick opened the meeting on HB 1501. Members present: Chairman Luick, Vice Chairman Myrdal, Senator Lemm, Senator Hogan, Senator Weston, Senator Weber.

Discussion Topics:

- Committee action

11:37 AM Senator Weber moved DO PASS HB 1501.

11:27 AM Senator Myrdal seconded the motion.

11:27 AM Senator Myrdal withdrew DO PASS motion. Senator Myrdal withdrew the second.

11:28 AM Senator Weber moved to adopt amendment LC 23.0865.04001.

11:28 AM Senator Myrdal seconded the motion.

Roll call vote:

Senators	Vote
Senator Larry Luick	Y
Senator Janne Myrdal	Y
Senator Kathy Hogan	Y
Senator Randy D. Lemm	Y
Senator Mark F. Weber	Y
Senator Kent Weston	Y

Motion Carried 6-0-0

11:29 AM Senator Weber moves a Do Pass As Amended.

11:29 AM Senator Myrdal seconded the motion.

Roll Call Vote:

Senators	Vote
Senator Larry Luick	Y
Senator Janne Myrdal	Y
Senator Kathy Hogan	Y
Senator Randy D. Lemm	Y
Senator Mark F. Weber	Y
Senator Kent Weston	Y

Motion Carried 6-0-0

Senate Agriculture and Veterans Affairs Committee
HB 1501
3/23/2023
Page 2

Senator Weber will carry the bill.

11:31 AM Senator Luick adjourned the meeting.

Brenda Cook, Committee Clerk

March 14, 2023

AG
3-23-23
(1-3)

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1501

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact subsection 1 of section 4.1-11-01, sections 4.1-11-08, 4.1-11-10, 4.1-11-11, 4.1-11-12, 4.1-11-13, 4.1-11-14, and 4.1-11-15, and subsection 1 of section 4.1-44-03 of the North Dakota Century Code, relating to the North Dakota soybean council and the North Dakota soybean fund; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 1 of section 4.1-11-01 of the North Dakota Century Code is amended and reenacted as follows:

1. "Council" means the nongovernmental entity, known as the North Dakota soybean council.

SECTION 2. AMENDMENT. Section 4.1-11-08 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-08. Council members - Compensation.

Each member of the council is entitled to receive compensation in the amount established by the council ~~but not exceeding one hundred thirty five dollars per day plus reimbursement for expenses as provided by law for state officers~~ if the member is attending meetings or performing duties directed by the council.

SECTION 3. AMENDMENT. Section 4.1-11-10 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-10. Council duties and reports.

1. The council shall develop policies and initiate programs to promote the development of markets for and increase the utilization of soybeans grown in this state.
2. The council shall develop and disseminate information regarding the purpose of the soybean assessment and ways in which the assessment benefits soybean producers.
3. The council shall determine the uses for which any moneys raised under this chapter may be expended. The uses may include the funding of research, education programs, and market development efforts, as well as participation in programs under the auspices of national soybean promotion organizations.
4. Annually, the council shall prepare and submit a report summarizing the activities of the council to the state auditor and commissioner. The report must show all income, expenses, and other relevant information concerning fees collected and expended.

5. The council shall request and submit a certificate of good standing, issued by the secretary of state, as part of the report described in subsection 4.

AG
3-23-23
(JB)

SECTION 4. AMENDMENT. Section 4.1-11-11 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-11. Assessment.

~~And~~ If a federal assessment under the Soybean Promotion, Research, and Consumer Information Act [Pub. L. 101-624; 104 Stat. 3881; 7 U.S.C. 92 et seq.] or a similar act remains in place, a state assessment under this section is prohibited. If the Soybean Promotion, Research, and Consumer Information Act [Pub. L. 101-624; 104 Stat. 3881; 7 U.S.C. 92 et seq.] or similar act eliminates a federal assessment, the council shall implement a state assessment equaling one-half of one percent of the value of the sale must be imposed upon all soybeans sold to a designated handler.

SECTION 5. AMENDMENT. Section 4.1-11-12 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-12. Collection of assessment by designated handler - Records.

~~4.~~ If an assessment is in place under section 4.1-11-11:

1. Each designated handler shall collect the assessment from the seller by deducting the assessment from the purchase price of all soybeans subject to the assessment;
2. Each designated handler shall keep all records regarding the quantity of soybeans received and assessed for a period of three years; and
3. All records required by this section may be examined by the council upon request.

SECTION 6. AMENDMENT. Section 4.1-11-13 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-13. Quarterly report - Submission to council.

At the time and in the manner prescribed by the council, each designated handler shall file with the council a quarterly report stating the quantity of all soybeans ~~that~~ the handler purchased and assessed under section 4.1-11-11.

SECTION 7. AMENDMENT. Section 4.1-11-14 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-14. Submission of assessments - ~~Civil penalty~~ Delinquent assessment.

Each designated handler shall forward to the council all assessments collected by the handler under section 4.1-11-11 within thirty days after the end of each calendar quarter. If a designated handler fails to submit the assessments as required by this section, the council shall increase the amount owed by two percent each month, beginning with the day following that on which the assessments came due.

SECTION 8. AMENDMENT. Section 4.1-11-15 of the North Dakota Century Code is amended and reenacted as follows:

AG
3-23-23
(3-3)

4.1-11-15. ~~Continuing appropriation~~Use of council funds.

~~The council shall forward all~~All moneys received under this chapter to the state treasurer for deposit must be deposited in the soybean fund. ~~All moneys in the soybean fund are appropriated on a continuing basis to the council to~~account at the Bank of North Dakota and may be used exclusively to carry out by the council for the payment of claims by the council based on the obligations incurred in the performance of council activities, functions, and purposes as provided in this chapter. The board shall segregate moneys in the soybean checkoff account from all other moneys of the council.

SECTION 9. AMENDMENT. Subsection 1 of section 4.1-44-03 of the North Dakota Century Code is amended and reenacted as follows:

1. Notwithstanding any other provision of law, the state treasurer shall invest in accordance with section 21-10-07 all available moneys in:
 - a. The potato fund;
 - b. The oilseed fund;
 - c. The dry bean fund;
 - d. The dry pea and lentil fund;
 - e. The barley fund;
 - f. ~~The soybean fund;~~
 - g. The corn fund;
 - h.g. The honey fund;
 - i.h. The turkey fund;
 - j.i. The milk marketing fund;
 - k.j. The dairy promotion commission fund;
 - l.k. The state wheat commission fund;
 - m.l. The ethanol fund; and
 - n.m. The North Dakota beef commission fund.

SECTION 10. EFFECTIVE DATE. This Act becomes effective on July 1, 2024."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1501, as engrossed: Agriculture and Veterans Affairs Committee (Sen. Luick, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1501 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact subsection 1 of section 4.1-11-01, sections 4.1-11-08, 4.1-11-10, 4.1-11-11, 4.1-11-12, 4.1-11-13, 4.1-11-14, and 4.1-11-15, and subsection 1 of section 4.1-44-03 of the North Dakota Century Code, relating to the North Dakota soybean council and the North Dakota soybean fund; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 1 of section 4.1-11-01 of the North Dakota Century Code is amended and reenacted as follows:

1. "Council" means the nongovernmental entity, known as the North Dakota soybean council.

SECTION 2. AMENDMENT. Section 4.1-11-08 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-08. Council members - Compensation.

Each member of the council is entitled to receive compensation in the amount established by the council ~~but not exceeding one hundred thirty-five dollars per day plus reimbursement for expenses as provided by law for state officers~~ if the member is attending meetings or performing duties directed by the council.

SECTION 3. AMENDMENT. Section 4.1-11-10 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-10. Council duties and reports.

1. The council shall develop policies and initiate programs to promote the development of markets for and increase the utilization of soybeans grown in this state.
2. The council shall develop and disseminate information regarding the purpose of the soybean assessment and ways in which the assessment benefits soybean producers.
3. The council shall determine the uses for which any moneys raised under this chapter may be expended. The uses may include the funding of research, education programs, and market development efforts, as well as participation in programs under the auspices of national soybean promotion organizations.
4. Annually, the council shall prepare and submit a report summarizing the activities of the council to the state auditor and commissioner. The report must show all income, expenses, and other relevant information concerning fees collected and expended.
5. The council shall request and submit a certificate of good standing, issued by the secretary of state, as part of the report described in subsection 4.

SECTION 4. AMENDMENT. Section 4.1-11-11 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-11. Assessment.

And if a federal assessment under the Soybean Promotion, Research, and Consumer Information Act [Pub. L. 101-624; 104 Stat, 3881; 7 U.S.C. 92 et seq.] or a similar act remains in place, a state assessment under this section is prohibited. If the Soybean Promotion, Research, and Consumer Information Act [Pub. L. 101-624; 104 Stat, 3881; 7 U.S.C. 92 et seq.] or similar act eliminates a federal assessment, the council shall implement a state assessment equaling one-half of one percent of the value of the sale must be imposed upon all soybeans sold to a designated handler.

SECTION 5. AMENDMENT. Section 4.1-11-12 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-12. Collection of assessment by designated handler - Records.

And if an assessment is in place under section 4.1-11-11:

1. Each designated handler shall collect the assessment from the seller by deducting the assessment from the purchase price of all soybeans subject to the assessment;
2. Each designated handler shall keep all records regarding the quantity of soybeans received and assessed for a period of three years; and
3. All records required by this section may be examined by the council upon request.

SECTION 6. AMENDMENT. Section 4.1-11-13 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-13. Quarterly report - Submission to council.

At the time and in the manner prescribed by the council, each designated handler shall file with the council a quarterly report stating the quantity of all soybeans ~~that the handler purchased and assessed~~ under section 4.1-11-11.

SECTION 7. AMENDMENT. Section 4.1-11-14 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-14. Submission of assessments - ~~Civil penalty~~Delinquent assessment.

Each designated handler shall forward to the council all assessments collected by the handler under section 4.1-11-11 within thirty days after the end of each calendar quarter. If a designated handler fails to submit the assessments as required by this section, the council shall increase the amount owed by two percent each month, beginning with the day following that on which the assessments came due.

SECTION 8. AMENDMENT. Section 4.1-11-15 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-15. ~~Continuing appropriation~~Use of council funds.

~~The council shall forward all~~All moneys received under this chapter to the ~~state treasurer for deposit~~must be deposited in the soybean fund. ~~All moneys in the soybean fund are appropriated on a continuing basis to the council to account at the Bank of North Dakota and may be used exclusively to carry out~~by the council for the payment of claims by the council based on the obligations incurred in the performance of council activities, functions, and purposes as provided in this chapter.

The board shall segregate moneys in the soybean checkoff account from all other moneys of the council.

SECTION 9. AMENDMENT. Subsection 1 of section 4.1-44-03 of the North Dakota Century Code is amended and reenacted as follows:

1. Notwithstanding any other provision of law, the state treasurer shall invest in accordance with section 21-10-07 all available moneys in:
 - a. The potato fund;
 - b. The oilseed fund;
 - c. The dry bean fund;
 - d. The dry pea and lentil fund;
 - e. The barley fund;
 - f. ~~The soybean fund;~~
 - ~~g.~~ The corn fund;
 - ~~h.g.~~ The honey fund;
 - ~~i.h.~~ The turkey fund;
 - ~~j.i.~~ The milk marketing fund;
 - ~~k.j.~~ The dairy promotion commission fund;
 - ~~l.k.~~ The state wheat commission fund;
 - ~~m.l.~~ The ethanol fund; and
 - ~~n.m.~~ The North Dakota beef commission fund.

SECTION 10. EFFECTIVE DATE. This Act becomes effective on July 1, 2024."

Renumber accordingly

2023 CONFERENCE COMMITTEE

HB 1501

2023 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee
Room JW327C, State Capitol

HB 1501
4/6/2023

Conference Committee

Relating to the North Dakota soybean council and the North Dakota soybean fund; and to provide an effective date.

Chairman Schreiber-Beck called the meeting to order 3:30 PM

Members present: Chairman Schreiber-Beck, Representative Beltz, Representative Headland, Senator Weber, Senator Lemm, Senator Myrdal.

Discussion Topics:

- Conference work

Senator Myrdahl moved to dissolve the meeting due to violation of open records laws.
Senator Lemm seconded.

Motion passed 6-0-0

Chairman Schreiber-Beck adjourned the meeting at 3:33 PM

Diane Lillis, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee
Room JW327C, State Capitol

HB 1501
4/13/2023

Conference Committee

Relating to the North Dakota soybean council and the North Dakota soybean fund; and to provide an effective date.

Chairman Schreiber-Beck called the meeting to order 10:03 AM

Members present: Chairman Schreiber-Beck, Representative Beltz, Representative Headland, Senator Weber, Senator Lemm, Senator Myrdal.

Discussion Topics:

- Intervention
- Administration
- Name changes

Phil Murphy, ND Soybean Growers Association (no written testimony)

Representative Beltz presented technical changes to LC #23.0865.04002.

Senator Myrdahl moved to receded from Senate amendments and further amend to, #27557, LC #23.0865.04002.

Representative Beltz seconded.

Motion passed 6-0-0

Representative Schreiber-Beck is the House carrier.
Senator Weber is the Senate carrier.

Chairman Schreiber-Beck adjourned the meeting at 10:34 AM

Diane Lillis, Committee Clerk

April 5, 2023

DR
143
4-13-23

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1501

That the Senate recede from its amendments as printed on pages 1409-1411 of the House Journal and pages 1159-1161 of the Senate Journal and that Engrossed House Bill No. 1501 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact subsection 1 of section 4.1-11-01, sections 4.1-11-08, 4.1-11-10, 4.1-11-11, 4.1-11-12, 4.1-11-13, 4.1-11-14, and 4.1-11-15, and subsection 1 of section 4.1-44-03 of the North Dakota Century Code, relating to the North Dakota soybean council and the North Dakota soybean fund; and to provide an effective date.

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SECTION 1. AMENDMENT. Subsection 1 of section 4.1-11-01 of the North Dakota Century Code is amended and reenacted as follows:

1. "Council" means the nongovernmental entity, known as the North Dakota soybean council.

SECTION 2. AMENDMENT. Section 4.1-11-08 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-08. Council members - Compensation.

Each member of the council is entitled to receive compensation in the amount established by the council ~~but not exceeding one hundred thirty five dollars per day plus reimbursement for expenses as provided by law for state officers~~ if the member is attending meetings or performing duties directed by the council.

SECTION 3. AMENDMENT. Section 4.1-11-10 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-10. Council duties and reports.

1. The council shall develop policies and initiate programs to promote the development of markets for and increase the utilization of soybeans grown in this state.
2. The council shall develop and disseminate information regarding the purpose of the soybean assessment and ways in which the assessment benefits soybean producers.
3. The council shall determine the uses for which any moneys raised under this chapter may be expended. The uses may include the funding of research, education programs, and market development efforts, as well as participation in programs under the auspices of national soybean promotion organizations.

4. Annually, the council shall prepare and submit a report summarizing the activities of the council to the state auditor and commissioner. The report must show all income, expenses, and other relevant information concerning fees collected and expended.

DR
283
4-13-23

5. The council shall request and submit a certificate of good standing, issued by the secretary of state, as part of the report described in subsection 4.

SECTION 4. AMENDMENT. Section 4.1-11-11 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-11. Assessment.

And if a federal assessment under the Soybean Promotion, Research, and Consumer Information Act [Pub. L. 101-624; 104 Stat. 3881; 7 U.S.C. 92 et seq.] or a similar act remains in place, a state assessment under this section is prohibited. If the Soybean Promotion, Research, and Consumer Information Act [Pub. L. 101-624; 104 Stat. 3881; 7 U.S.C. 92 et seq.] or similar act eliminates a federal assessment, the council shall implement a state assessment equaling one-half of one percent of the value of the sale must be imposed upon all soybeans sold to a designated handler.

SECTION 5. AMENDMENT. Section 4.1-11-12 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-12. Collection of assessment by designated handler - Records.

4. If an assessment is in place under section 4.1-11-11:

1. Each designated handler shall collect the assessment from the seller by deducting the assessment from the purchase price of all soybeans subject to the assessment-;
2. Each designated handler shall keep all records regarding the quantity of soybeans received and assessed for a period of three years-; and
3. All records required by this section may be examined by the council upon request.

SECTION 6. AMENDMENT. Section 4.1-11-13 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-13. Quarterly report - Submission to council.

At the time and in the manner prescribed by the council, each designated handler shall file with the council a quarterly report stating the quantity of all soybeans that the handler purchased and assessed under section 4.1-11-11.

SECTION 7. AMENDMENT. Section 4.1-11-14 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-14. Submission of assessments - ~~Civil penalty~~ Delinquent assessment.

Each designated handler shall forward to the council all assessments collected by the handler under section 4.1-11-11 within thirty days after the end of each calendar

quarter. If a designated handler fails to submit the assessments as required by this section, the council shall increase the amount owed by two percent each month, beginning with the day following that on which the assessments came due.

OK
373
4-13-23

SECTION 8. AMENDMENT. Section 4.1-11-15 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-15. Continuing appropriation - Use of council funds.

~~The council shall forward all~~All moneys received under this chapter to the state treasurer for deposit ~~must be deposited~~ in the soybean fund ~~checkoff account at the Bank of North Dakota~~. All moneys in the soybean fund ~~checkoff account~~ are appropriated on a continuing basis to the council ~~and may be used exclusively to carry out~~ by the council for the payment of claims by the council based on the obligations incurred in the performance of council activities, functions, and purposes as provided in this chapter. The board shall segregate moneys in the soybean checkoff account from all other moneys of the council.

SECTION 9. AMENDMENT. Subsection 1 of section 4.1-44-03 of the North Dakota Century Code is amended and reenacted as follows:

1. Notwithstanding any other provision of law, the state treasurer shall invest in accordance with section 21-10-07 all available moneys in:
 - a. The potato fund;
 - b. The oilseed fund;
 - c. The dry bean fund;
 - d. The dry pea and lentil fund;
 - e. The barley fund;
 - f. ~~The soybean fund;~~
 - g. The corn fund;
 - ~~h-g.~~ The honey fund;
 - ~~i-h.~~ The turkey fund;
 - ~~j-i.~~ The milk marketing fund;
 - ~~k-j.~~ The dairy promotion commission fund;
 - ~~l-k.~~ The state wheat commission fund;
 - ~~m-l.~~ The ethanol fund; and
 - ~~n-m.~~ The North Dakota beef commission fund.

SECTION 10. EFFECTIVE DATE. This Act becomes effective on July 1, 2024."

Renumber accordingly

REPORT OF CONFERENCE COMMITTEE

HB 1501, as engrossed: Your conference committee (Sens. Weber, Lemm, Myrdal and Reps. Schreiber-Beck, Beltz, Headland) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1409-1411, adopt amendments as follows, and place HB 1501 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1409-1411 of the House Journal and pages 1159-1161 of the Senate Journal and that Engrossed House Bill No. 1501 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact subsection 1 of section 4.1-11-01, sections 4.1-11-08, 4.1-11-10, 4.1-11-11, 4.1-11-12, 4.1-11-13, 4.1-11-14, and 4.1-11-15, and subsection 1 of section 4.1-44-03 of the North Dakota Century Code, relating to the North Dakota soybean council and the North Dakota soybean fund; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 1 of section 4.1-11-01 of the North Dakota Century Code is amended and reenacted as follows:

1. "Council" means the nongovernmental entity, known as the North Dakota soybean council.

SECTION 2. AMENDMENT. Section 4.1-11-08 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-08. Council members - Compensation.

Each member of the council is entitled to receive compensation in the amount established by the council ~~but not exceeding one hundred thirty-five dollars per day plus reimbursement for expenses as provided by law for state officers~~ if the member is attending meetings or performing duties directed by the council.

SECTION 3. AMENDMENT. Section 4.1-11-10 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-10. Council duties and reports.

1. The council shall develop policies and initiate programs to promote the development of markets for and increase the utilization of soybeans grown in this state.
2. The council shall develop and disseminate information regarding the purpose of the soybean assessment and ways in which the assessment benefits soybean producers.
3. The council shall determine the uses for which any moneys raised under this chapter may be expended. The uses may include the funding of research, education programs, and market development efforts, as well as participation in programs under the auspices of national soybean promotion organizations.
4. Annually, the council shall prepare and submit a report summarizing the activities of the council to the state auditor and commissioner. The report must show all income, expenses, and other relevant information concerning fees collected and expended.

5. The council shall request and submit a certificate of good standing, issued by the secretary of state, as part of the report described in subsection 4.

SECTION 4. AMENDMENT. Section 4.1-11-11 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-11. Assessment.

And if a federal assessment under the Soybean Promotion, Research, and Consumer Information Act [Pub. L. 101-624; 104 Stat, 3881; 7 U.S.C. 92 et seq.] or a similar act remains in place, a state assessment under this section is prohibited. If the Soybean Promotion, Research, and Consumer Information Act [Pub. L. 101-624; 104 Stat, 3881; 7 U.S.C. 92 et seq.] or similar act eliminates a federal assessment, the council shall implement a state assessment equaling one-half of one percent of the value of the sale must be imposed upon all soybeans sold to a designated handler.

SECTION 5. AMENDMENT. Section 4.1-11-12 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-12. Collection of assessment by designated handler - Records.

1. If an assessment is in place under section 4.1-11-11:

1. Each designated handler shall collect the assessment from the seller by deducting the assessment from the purchase price of all soybeans subject to the assessment.;
2. Each designated handler shall keep all records regarding the quantity of soybeans received and assessed for a period of three years.;
3. All records required by this section may be examined by the council upon request.

SECTION 6. AMENDMENT. Section 4.1-11-13 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-13. Quarterly report - Submission to council.

At the time and in the manner prescribed by the council, each designated handler shall file with the council a quarterly report stating the quantity of all soybeans that the handler purchased and assessed under section 4.1-11-11.

SECTION 7. AMENDMENT. Section 4.1-11-14 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-14. Submission of assessments - ~~Civil penalty~~ Delinquent assessment.

Each designated handler shall forward to the council all assessments collected by the handler under section 4.1-11-11 within thirty days after the end of each calendar quarter. If a designated handler fails to submit the assessments as required by this section, the council shall increase the amount owed by two percent each month, beginning with the day following that on which the assessments came due.

SECTION 8. AMENDMENT. Section 4.1-11-15 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-15. Continuing appropriation - Use of council funds.

~~The council shall forward all~~All moneys received under this chapter to the state treasurer for deposit must be deposited in the soybean fund checkoff account at the Bank of North Dakota. All moneys in the soybean fund checkoff account are appropriated on a continuing basis to the council ~~to~~and may be used exclusively to carry out by the council for the payment of claims by the council based on the obligations incurred in the performance of council activities, functions, and purposes as provided in this chapter. The board shall segregate moneys in the soybean checkoff account from all other moneys of the council.

SECTION 9. AMENDMENT. Subsection 1 of section 4.1-44-03 of the North Dakota Century Code is amended and reenacted as follows:

1. Notwithstanding any other provision of law, the state treasurer shall invest in accordance with section 21-10-07 all available moneys in:
 - a. The potato fund;
 - b. The oilseed fund;
 - c. The dry bean fund;
 - d. The dry pea and lentil fund;
 - e. The barley fund;
 - f. ~~The soybean fund;~~
 - g. The corn fund;
 - ~~h.g.~~ The honey fund;
 - ~~i.h.~~ The turkey fund;
 - ~~j.i.~~ The milk marketing fund;
 - ~~k.j.~~ The dairy promotion commission fund;
 - ~~l.k.~~ The state wheat commission fund;
 - ~~m.l.~~ The ethanol fund; and
 - ~~n.m.~~ The North Dakota beef commission fund.

SECTION 10. EFFECTIVE DATE. This Act becomes effective on July 1, 2024."

Renumber accordingly

Engrossed HB 1501 was placed on the Seventh order of business on the calendar.

TESTIMONY

HB 1501

TESTIMONY OF SCOTT MILLER

House Bill 1501 – Soybean Council Privatization

Good Morning, my name is Scott Miller. I am the Executive Director of the North Dakota Public Employees Retirement System, or NDPERS. I am here to testify in opposition to House Bill 1501.

The reason the NDPERS Board is opposed to this bill relates to the actuarial impact the bill has on the Main PERS plan. The Soybean Council has six employees, all of which participate in the Main PERS plan. The benefits to which those employees are entitled will be frozen as of July 1, 2024, when the Council becomes non-public. However, those benefits have not yet been fully paid for by the Soybean Council – our plan is only about 65% funded on a market value of assets basis. As such, the Main PERS plan should be made whole before the Soybean Council is permitted to transition to a private entity.

We have similar experience with political subdivisions. Political subdivisions can join the Main PERS plan upon execution of our participation agreement. That agreement has a specific reference to North Dakota Administrative Code section 71-02-08-02, which must be followed if the political subdivision ever seeks to exit participation.

Any political subdivision may discontinue participation in the fund if the following requirements are met:

1. The political subdivision must provide the board with a copy of a resolution adopted by the governing authority authorizing the termination of participation in the fund.
2. Upon receiving a copy of the written resolution, an actuarial study must be done by the plan's actuary to determine the accrued benefit of all vested employees minus allocated assets from the date of participation. The interest assumption used must be two hundred basis points less than the plan's interest assumption used for funding purposes. The withdrawal liability must include an administrative expense assessment of five percent.
3. Any costs incurred by the fund, resulting from a political subdivision ceasing participation, including the actuarial fee study and the withdrawal liability, must be assessed against the political subdivision and paid in full before a political subdivision terminates its participation.
4. All employees of a political subdivision that has terminated participation in the fund must not be eligible for future benefit accruals or improvements granted to employees or former employees of participating governmental units after the date the employer's participation ceases.

5. An employee who is not vested at the time an employer ceases participation has the option of taking a refund or rollover of the employee's contribution plus interest.

We would suggest a similar process be followed to ensure the Main PERS Plan is not detrimentally affected by the Soybean Council's privatization. The NDPERS Board would be neutral regarding this bill if the Main PERS Plan were made whole.

We have asked our actuary for an analysis of this bill, and as of the date I wrote this testimony we did not have that analysis. I would be happy to update the Committee once I receive that analysis.

Testimony in favor of 1501

Good Morning, Chairman and Committee, my name is Phil Murphy, Government Liaison for the ND Soybean Growers Association (NDSGA).

This is a simple bill which changes the ND Soybean Council (NDSC) in the Century Code from a Special Funds state agency to become a private or nongovernmental entity. 1501 offers a chance for all legislators to be able to do what nearly all would like (as someone who also served on the Agriculture Committee I feel fairly confident in stating this), which is to downsize government, eliminate regulation/redundancies and red tape. You may have already heard testimony explaining that the NDSC uses no taxpayer dollars – it all comes from soybean grower’s pockets through the Federal Checkoff. At first, all soybean checkoffs were by state authorities when the crop began to grow in popularity. In ND, 1982 saw soybeans grown mostly in just a few counties use acreage dwarfed by wheat, sunflowers and barley. Those three used over 15 million acres while soybeans were under 500,000. By 1991, as a result of farmer led efforts, the national soybean checkoff was created by the USDA, gathering all state soy checkoffs under its umbrella. Because there is already a Federal framework for accountability and compliance with state regulation no longer needed, most of the 31 major soybean producing states eventually transitioned themselves away from the redundancies 1501 is striving to eliminate. There are a few states like ND which have simply never taken up the effort. The past forty years have seen soybean acres and crop value rise to often become the number one crop in the state, but now our soybean industry is poised to take off like never before. The timing of new crush plants combined with the value of soybean oil means opportunity to grow and change with the times. The ability to pivot and react in our quickening era would be enhanced by the passage of 1501. They ~~have~~ ^{have} NDSC Board of Directors and Executive Director ~~are~~ ^{are} experienced and confident enough to make the next step and operate as the privately funded business they could have been since 1991.

The inefficiencies imposed by state regulations are real. Here are some examples of how operating privately would help the business of the Council and relieve state agencies of burden; When the Council wishes to help, say, a research station buy a tractor or combine, they might have the money and full board approval, but must submit and put in a RFP to the Office of Management and Budget for any amount over ten thousand dollars. There is also the HR ^{Human Resources} component which includes a lengthy vetting for hiring and another process for reduction of staff. Legal consultations require usage of an attorney from the Attorney General’s office. Also, the State Auditor’s Office ^{State Auditor} must conduct a yearly audit whereas all other state commodity groups require one every two years. The State Auditor’s office recently testified that they have forty clients waiting to get on the auditing list. When trying to get things done in your business whether its farming or not, regulations slow the pace of one’s progress. Executive Director Sinner has typified the work involved dealing with state regulations as taking about one third of her time as well as that of her financial staffer.

You all may know that the NDSGA can advocate while the Soybean Council is held primarily to education, research and creating market value. That is why I stand before you contracted by the Growers rather than the Council. NDSC Executive Director Stephanie Sinner and Board Chairman Chris Brossart are seated behind me. Both are more than capable of delivering this message, but are

*Phil Murphy
Time for RFP!*

concerned that it might be too easy to make a request of you which they are forbidden by federal and state law to do. If, however there are questions that a part-timer like me cannot answer, they are here to help educate.

To highlight a few facts: The NDSC is like ^{ONLY ONE federal} ~~no~~ other checkoff entity in our state, as it is the ~~only one that is~~ ^{with it is not set up as a state agency BECAUSE of Fed.} ~~solely Federal~~. This bill could be seen as a housekeeping bill in that the NDSC will still report to the Commissioner of Agriculture and the Legislature as you saw in the first couple weeks of this session. Its passage will free up agencies to better utilize the taxpayer dollars our state uses to function. Another point for consideration is one which has caused the Board more concern than any other and that is their staff. There are ~~seven~~ ⁶ people employed by the NDSC with three of them, including the Executive Director, vested in the Public Employee Retirement System (PERS). Facing the possibility of some choosing to leave employment if the NDSC becomes a private business, the Directors asked for the effective date of HB1501 move a year farther down the road, allowing time to seek either another state job or to move on elsewhere. This potential transition could cost their defined benefit so the NDSC board has agreed to cover the cost of fulfilling their obligation. Because a study to supplant those dollars owed to the fund would be dependent on whom, when and if some opted out, a study done now would be inaccurate in a year and one half. An estimate for how long a study would take and the dollars needed to make ^{it} whole was done by OMB. They believe it would take a few months to do the study and that dollars could be somewhere between one hundred thousand and five hundred thousand. The Board voted to do the study closer to the effective date of the bill and again, to cover whatever was owed.

In conclusion, the purpose of this bill is to relieve redundant government oversight and costs for ND tax payers, state agencies, and soybean farmers. The NDSC will remain the Qualified State Soybean Board, authorized by USDA to collect the Federal soybean checkoff for our ND farmers. **The role will remain the same as it is today – collect the federal checkoff to be directed by farmer leaders for investment in research, promotion, communication, education and market development.**

Vision: to ensure the NDSC and the soybean checkoff is best structured to serve the ND soybean farmers of 20 years from today by being a nimble, proactive, farmer led *and* farmer funded organization that ensures a legacy of effective investment resulting in profitable farmers and communities in ND. Thank you all for your kind consideration.

23.0865.02001
Title.

Prepared by the Legislative Council staff for
Representative Beltz
January 31, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1501

Page 1, line 2, remove "and"

Page 1, line 2, after "4.1-11-15" insert ", and 4.1-44-03"

Page 3, after line 22, insert:

"SECTION 9. AMENDMENT. Section 4.1-44-03 of the North Dakota Century Code is amended and reenacted as follows:

4.1-44-03. Agricultural commodity assessments funds - Investment income allocation.

1. Notwithstanding any other provision of law, the state treasurer shall invest in accordance with section 21-10-07 all available moneys in:
 - a. The potato fund;
 - b. The oilseed fund;
 - c. The dry bean fund;
 - d. The dry pea and lentil fund;
 - e. The barley fund;
 - f. ~~The soybean fund;~~
 - ~~g.~~ The corn fund;
 - ~~h-g.~~ The honey fund;
 - ~~i-h.~~ The turkey fund;
 - ~~j-i.~~ The milk marketing fund;
 - ~~k-j.~~ The dairy promotion commission fund;
 - ~~l-k.~~ The state wheat commission fund;
 - ~~m-l.~~ The ethanol fund; and
 - ~~n-m.~~ The North Dakota beef commission fund.
2. The investment of moneys must be made in cooperation with the governing body of the respective agricultural commodity entity. The state treasurer shall establish rules, in cooperation with the agricultural commodity organizations, to be followed regarding the investment of moneys in each fund. The state treasurer shall credit twenty percent of the investment income derived from each fund to the general fund in the state treasury as payment for accounting, printing, data processing, legal, and other services when provided without cost by the state to the agricultural commodity entity. The state treasurer shall credit eighty percent of the investment income derived from each fund to the respective fund."

23.0865.02002

Sixty-eighth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1501

Introduced by

Representative Beltz

1 A BILL for an Act to amend and reenact subsection 1 of section 4.1-11-01 and sections
2 4.1-11-08, 4.1-11-10, 4.1-11-11, 4.1-11-12, 4.1-11-13, 4.1-11-14, and 4.1-11-15 of the North
3 Dakota Century Code, relating to the North Dakota soybean council; and to provide an effective
4 date.

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

6 **SECTION 1. AMENDMENT.** Subsection 1 of section 4.1-11-01 of the North Dakota Century
7 Code is amended and reenacted as follows:

- 8 1. "Council" means the nongovernmental entity, known as the North Dakota soybean
9 council.

10 **SECTION 2. AMENDMENT.** Section 4.1-11-08 of the North Dakota Century Code is
11 amended and reenacted as follows:

12 **4.1-11-08. Council members - Compensation.**

13 Each member of the council is entitled to receive compensation in the amount established
14 by the council ~~but not exceeding one hundred thirty-five dollars per day~~ plus reimbursement for
15 expenses ~~as provided by law for state officers~~ if the member is attending meetings or
16 performing duties directed by the council.

17 **SECTION 3. AMENDMENT.** Section 4.1-11-10 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **4.1-11-10. Council duties and reports.**

- 20 1. The council shall develop policies and initiate programs to promote the development of
21 markets for and increase the utilization of soybeans grown in this state.
22 2. The council shall develop and disseminate information regarding the purpose of the
23 soybean assessment and ways in which the assessment benefits soybean producers.

1 3. The council shall determine the uses for which any moneys raised under this chapter
2 may be expended. The uses may include the funding of research, education
3 programs, and market development efforts, as well as participation in programs under
4 the auspices of national soybean promotion organizations.

5 4. Annually, the council shall prepare and submit a report summarizing the activities of
6 the council to the state auditor and the commissioner. The report must show all
7 income, expenses, and other relevant information concerning fees collected and
8 expended.

9 5. The council shall request and submit a certificate of good standing, issued by the
10 secretary of state, as part of the report described in subsection 4.

11 **SECTION 4. AMENDMENT.** Section 4.1-11-11 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **4.1-11-11. Assessment.**

14 ~~An~~If aThe federal assessment under the Soybean Promotion, Research, and Consumer
15 Information Act [Pub. L. 101-624; 104 Stat, 3881; 7 U.S.C. 92 et seq.] or similar ~~act remains in~~
16 ~~place, a state~~ assessment under ~~this section is prohibited. If the Soybean Promotion, Research,~~
17 ~~and Consumer Information Act [Pub. L. 101-624; 104 Stat, 3881; 7 U.S.C. 92 et seq.] or a similar~~
18 ~~federal act eliminates a federal assessment, the council shall implement a state~~ is the only
19 ~~permitted~~ assessment ~~equaling one-half of one percent of the value of the sale must be~~
20 ~~imposed upon all soybeans sold to a designated handler~~under this chapter. A state assessment
21 is prohibited.

22 **SECTION 5. AMENDMENT.** Section 4.1-11-12 of the North Dakota Century Code is
23 amended and reenacted as follows:

24 **4.1-11-12. Collection of assessment by designated handler - Records.**

25 4. If an assessment is in place under section 4.1-11-11:

- 26 1. Each designated handler shall collect the assessment from the seller by deducting the
27 assessment from the purchase price of all soybeans subject to the assessment;:
28 2. Each designated handler shall keep all records regarding the quantity of soybeans
29 received and assessed for a period of three years;: and
30 3. All records required by this section may be examined by the council upon request.

1 **SECTION 6. AMENDMENT.** Section 4.1-11-13 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **4.1-11-13. Quarterly report - Submission to council.**

4 At the time and in the manner prescribed by the council, each designated handler shall file
5 with the council a quarterly report stating the quantity of all soybeans that the handler
6 purchased and assessed under section 4.1-11-11.

7 **SECTION 7. AMENDMENT.** Section 4.1-11-14 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **4.1-11-14. Submission of assessments - ~~Civil penalty~~Delinquent assessment.**

10 Each designated handler shall forward to the council all assessments collected by the
11 handler under section 4.1-11-11 within thirty days after the end of each calendar quarter. If a
12 designated handler fails to submit the assessments as required by this section, the council shall
13 increase the amount owed by two percent each month, beginning with the day following that on
14 which the assessments came due.

15 **SECTION 8. AMENDMENT.** Section 4.1-11-15 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **4.1-11-15. ~~Continuing appropriation~~Use of council funds.**

18 ~~The council shall forward all~~All moneys received under this chapter ~~to the state treasurer for~~
19 ~~deposit~~must be deposited in the soybean fund. ~~All moneys in the soybean fund are appropriated~~
20 ~~on a continuing basis to the council to~~account at the Bank of North Dakota and may be used
21 ~~exclusively to carry out~~by the council for the payment of claims by the council based upon
22 obligations incurred in the performance of council activities, functions, and purposes as
23 provided in this chapter. The board shall segregate moneys in the soybean checkoff account
24 from all other moneys of the council.

25 **SECTION 9. EFFECTIVE DATE.** This Act becomes effective on July 1, 2024.

23.0865.02002
Title.

Prepared by the Legislative Council staff for
Representative Beltz
February 2, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1501

Page 2, line 14, replace "If a" with "The"

Page 2, line 15, remove "act remains in"

Page 2, line 16, remove "place, a state"

Page 2, line 16, remove "this section is prohibited. If the Soybean Promotion, Research,"

Page 2, line 17, replace "and Consumer Information Act [Pub. L. 101-624; 104 Stat, 3881;
7 U.S.C. 92 et seq.] or" with "a"

Page 2, line 17, after "similar" insert "federal"

Page 2, line 18, replace "eliminates a federal assessment, the council shall implement a state"
with "is the only permitted"

Page 2, line 18, overstrike "equaling"

Page 2, overstrike line 19

Page 2, line 20, overstrike "designated handler" and insert immediately thereafter "under this
chapter. A state assessment is prohibited"

Renumber accordingly

23.0865.02003
Title.

Prepared by the Legislative Council staff for
Representative Thomas
February 7, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1501

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact subsection 2 of section 4.1-44-04 of the North Dakota Century Code, relating to audits for commodity groups.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 2 of section 4.1-44-04 of the North Dakota Century Code is amended and reenacted as follows:

2. The presiding officer of each house of the legislative assembly may direct the reports be filed with some other standing committee of that house. Each report must contain a summary of the activities of the commodity group during the current biennium, and a single-page uniform statement of revenues and expenditures for the next biennium. Each report, except the reports of the North Dakota beekeepers association and the North Dakota turkey federation, also must include a statean auditor's report on the commodity group's single-page uniform statement of revenues and expenditures for the previous two fiscal years or an annual financial statement audit as required by the group's national association.

Renumber accordingly

23.0865.02005
Title.

Prepared by the Legislative Council staff for
Representative Thomas
February 9, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1501

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 54-10 of the North Dakota Century Code, relating to state audits of commodity groups; and to amend and reenact subsection 2 of section 4.1-44-04 of the North Dakota Century Code, relating to the presentation of state audit reports.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 2 of section 4.1-44-04 of the North Dakota Century Code is amended and reenacted as follows:

2. The presiding officer of each house of the legislative assembly may direct the reports be filed with some other standing committee of that house. Each report must contain a summary of the activities of the commodity group during the current biennium, and a single-page uniform statement of revenues and expenditures for the next biennium. Each report, except the reports of the North Dakota beekeepers association and the North Dakota turkey federation, also must include a statean auditor's report on the commodity group's single-page uniform statement of revenues and expenditures for the previous two fiscal years or an annual federal financial statement audit required due to a federally mandated checkoff associated with the group's national association.

SECTION 2. A new section to chapter 54-10 of the North Dakota Century Code is created and enacted as follows:

Commodity groups - Certain groups exempt.

A commodity group required to present a state auditor's report under section 4.1-44-04 is exempt from this chapter if the commodity group is subject to a federal audit due to a federally mandated checkoff associated with the group's national association."

Re-number accordingly



**North Dakota Grain Growers Association
Testimony in Support of
HB 1501
Senate Agriculture and Veterans Affairs
Committee
March 23, 2023**

Chairman Luick, members of the Senate Agriculture and Veterans Affairs Committee, for the record my name is Dan Wogsland, Executive Director of the North Dakota Grain Growers Association (NDGGA). NDGGA, through our contracts with the North Dakota Wheat Commission and the North Dakota Barley Council, engages in domestic policy issues on the state and federal level on behalf of North Dakota wheat and barley farmers. I am providing testimony for you today on behalf of NDGGA in support of HB 1501 as it was originally proposed.

NDGGA supports the objectives of the North Dakota Soybean Council in the original HB 1501 legislation. We recognize what the House was trying to accomplish with the amendments which are now the bill but NDGGA feels that the original bill is more comprehensive and better represents the goals and purposes of the legislation.

Therefore the North Dakota Grain Growers Association would respectfully request that the Senate Agriculture and Veterans Affairs Committee amend the bill back to its original form and following that action give HB 1501 a Do Pass recommendation and would hope the full Senate concur.

"You Raise; We Represent"

Phone: 701-282-9361 | Fax: 701-404-5187 | 1002 Main Ave W. #3 West Fargo, N.D. 58078

Testimony in favor of 1501

Good Morning, Chairman and Committee, my name is Phil Murphy, Government Liaison for the ND Soybean Growers Association (NDSGA).

This is a simple bill which changes the ND Soybean Council (NDSC) in the Century Code from a Special Funds state agency to become a private or nongovernmental entity. 1501 offers a chance for legislators to be able to do what nearly all would like which is to downsize government, eliminate regulation/redundancies and red tape. You may have already heard testimony explaining that *the NDSC uses no taxpayer dollars* – it all comes from soybean grower's pockets through the Federal Checkoff. At first, all soybean checkoffs were by state authorities when the crop began to grow in popularity. In ND, 1982 saw soybeans grown mostly in just a few counties use acreage dwarfed by wheat, sunflowers and barley. Those three used over 15 million acres while soybeans were under 500,000. By 1991, as a result of farmer led efforts, the national soybean checkoff was created by the USDA, gathering all state soy checkoffs under its umbrella. Because there is already a Federal framework for accountability and compliance with state regulation no longer needed, 20 of the major soybean producing states eventually transitioned themselves away from the redundancies 1501 is striving to eliminate. There are a few states like ND which have simply never taken up the effort. The past forty years have seen soybean acres and crop value rise to often become the number one crop in the state, and now our soybean industry is poised to take off like never before. The timing of new crush plants combined with the value of soybean oil means opportunity to grow and change with the times. The ability to pivot and react in our quickening era would be enhanced by the passage of 1501. The NDSC has a Board of Directors and Executive Director experienced and confident enough to make the next step and operate as the privately funded business they could have been since 1991.

The inefficiencies imposed by state regulations are real. Here are some examples of how operating privately would help the business of the Council and relieve state agencies of burden; When the Council wishes to help, say, a research station buy a tractor or combine, they might have the money and full board approval, but must submit and put in a RFP to the Office of Management and Budget for any amount over ten thousand dollars he(weeks of delay) there is also the Human Resources component which includes a lengthy (a couple of months) vetting for hiring and another process for reduction of staff. Legal consultations require usage of an attorney from the Attorney General's office. Also, the State Auditor's Office must conduct a yearly audit whereas all other state commodity groups require one every two years. The overburdened State Auditor's office recently testified that they have forty clients waiting to get on the auditing list. When trying to get things done in your business whether its farming or not, regulations slow the pace of one's progress. Executive Director Sinner has typified the work involved dealing with state regulations as taking about one third of her time as well as that of her financial staffer. We can provide you with more examples of how state rules hinder the progress of the NDSC if you wish.

You all may know that the NDSGA can advocate while the Soybean Council is held primarily to education, research and creating market value. That is why I stand before you contracted by the Growers rather than the Council. NDSC Executive Director Stephanie Sinner and Board Chairman Chris

23.0865.04001
Title.

Prepared by the Legislative Council staff for
Representative Beltz
March 14, 2023

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1501

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact subsection 1 of section 4.1-11-01, sections 4.1-11-08, 4.1-11-10, 4.1-11-11, 4.1-11-12, 4.1-11-13, 4.1-11-14, and 4.1-11-15, and subsection 1 of section 4.1-44-03 of the North Dakota Century Code, relating to the North Dakota soybean council and the North Dakota soybean fund; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 1 of section 4.1-11-01 of the North Dakota Century Code is amended and reenacted as follows:

1. "Council" means the nongovernmental entity, known as the North Dakota soybean council.

SECTION 2. AMENDMENT. Section 4.1-11-08 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-08. Council members - Compensation.

Each member of the council is entitled to receive compensation in the amount established by the council ~~but not exceeding one hundred thirty five dollars per day plus reimbursement for expenses as provided by law for state officers~~ if the member is attending meetings or performing duties directed by the council.

SECTION 3. AMENDMENT. Section 4.1-11-10 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-10. Council duties and reports.

1. The council shall develop policies and initiate programs to promote the development of markets for and increase the utilization of soybeans grown in this state.
2. The council shall develop and disseminate information regarding the purpose of the soybean assessment and ways in which the assessment benefits soybean producers.
3. The council shall determine the uses for which any moneys raised under this chapter may be expended. The uses may include the funding of research, education programs, and market development efforts, as well as participation in programs under the auspices of national soybean promotion organizations.
4. Annually, the council shall prepare and submit a report summarizing the activities of the council to the state auditor and commissioner. The report must show all income, expenses, and other relevant information concerning fees collected and expended.

5. The council shall request and submit a certificate of good standing, issued by the secretary of state, as part of the report described in subsection 4.

SECTION 4. AMENDMENT. Section 4.1-11-11 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-11. Assessment.

And if a federal assessment under the Soybean Promotion, Research, and Consumer Information Act [Pub. L. 101-624; 104 Stat. 3881; 7 U.S.C. 92 et seq.] or a similar act remains in place, a state assessment under this section is prohibited. If the Soybean Promotion, Research, and Consumer Information Act [Pub. L. 101-624; 104 Stat. 3881; 7 U.S.C. 92 et seq.] or similar act eliminates a federal assessment, the council shall implement a state assessment equaling one-half of one percent of the value of the sale must be imposed upon all soybeans sold to a designated handler.

SECTION 5. AMENDMENT. Section 4.1-11-12 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-12. Collection of assessment by designated handler - Records.

4. If an assessment is in place under section 4.1-11-11:

1. Each designated handler shall collect the assessment from the seller by deducting the assessment from the purchase price of all soybeans subject to the assessment;
2. Each designated handler shall keep all records regarding the quantity of soybeans received and assessed for a period of three years; and
3. All records required by this section may be examined by the council upon request.

SECTION 6. AMENDMENT. Section 4.1-11-13 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-13. Quarterly report - Submission to council.

At the time and in the manner prescribed by the council, each designated handler shall file with the council a quarterly report stating the quantity of all soybeans that the handler purchased and assessed under section 4.1-11-11.

SECTION 7. AMENDMENT. Section 4.1-11-14 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-14. Submission of assessments - ~~Civil penalty~~ Delinquent assessment.

Each designated handler shall forward to the council all assessments collected by the handler under section 4.1-11-11 within thirty days after the end of each calendar quarter. If a designated handler fails to submit the assessments as required by this section, the council shall increase the amount owed by two percent each month, beginning with the day following that on which the assessments came due.

SECTION 8. AMENDMENT. Section 4.1-11-15 of the North Dakota Century Code is amended and reenacted as follows:

4.1-11-15. ~~Continuing appropriation~~Use of council funds.

~~The council shall forward all~~All moneys received under this chapter to the state treasurer for deposit must be deposited in the soybean fund. ~~All moneys in the soybean fund are appropriated on a continuing basis to the council to~~account at the Bank of North Dakota and may be used exclusively to carry out by the council for the payment of claims by the council based on the obligations incurred in the performance of council activities, functions, and purposes as provided in this chapter. ~~The board shall segregate moneys in the soybean checkoff account from all other moneys of the council.~~

SECTION 9. AMENDMENT. Subsection 1 of section 4.1-44-03 of the North Dakota Century Code is amended and reenacted as follows:

1. Notwithstanding any other provision of law, the state treasurer shall invest in accordance with section 21-10-07 all available moneys in:
 - a. The potato fund;
 - b. The oilseed fund;
 - c. The dry bean fund;
 - d. The dry pea and lentil fund;
 - e. The barley fund;
 - f. ~~The soybean fund;~~
 - ~~g.~~ The corn fund;
 - ~~h-g.~~ The honey fund;
 - ~~i-h.~~ The turkey fund;
 - ~~j-i.~~ The milk marketing fund;
 - ~~k-j.~~ The dairy promotion commission fund;
 - ~~l-k.~~ The state wheat commission fund;
 - ~~m-l.~~ The ethanol fund; and
 - ~~n-m.~~ The North Dakota beef commission fund.

SECTION 10. EFFECTIVE DATE. This Act becomes effective on July 1, 2024."

Renumber accordingly

23.0865.04002
Title.

Prepared by the Legislative Council staff for
Representative Beltz
April 5, 2023

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1501

That the Senate recede from its amendments as printed on pages 1409-1411 of the House Journal and pages 1159-1161 of the Senate Journal and that Engrossed House Bill No. 1501 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact subsection 1 of section 4.1-11-01, sections 4.1-11-08, 4.1-11-10, 4.1-11-11, 4.1-11-12, 4.1-11-13, 4.1-11-14, and 4.1-11-15, and subsection 1 of section 4.1-44-03 of the North Dakota Century Code, relating to the North Dakota soybean council and the North Dakota soybean fund; and to provide an effective date.

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3. The council shall determine the uses for which any moneys raised under this chapter may be expended. The uses may include the funding of research, education programs, and market development efforts, as well as participation in programs under the auspices of national soybean promotion organizations.